Daily Report

East Europe

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FBIS-EEU-95-132 *11 July 1995*

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Democratic Party Press Calls on Nano To 'Repent'

AU1107102795 Tirana RILINDJA DEMOKRATIKE in Albanian 9 Jul 95 p 2

[Editorial: "Behind the Facade of a 'Greeting'"]

[FBIS Translated Text] As if from the enchanted castle of Bence [prison at Tepelene], Nano greets Berisha on the occasion of Albania's admission to the Council of Europe. The platform of the Eurosocialists' congress provided an occasion for the ordinary prisoner Nano, whom the Socialist Party [PS] still keeps on as its chairman, to deliver his message. At first sight, this looks like a gesture of liberality that this confidant of the old political class and the last prime minister of the communist regime is finally making after all the gall he has spit out against the Democratic Party and President Berisha. However, this is a mere appearance that can barely serve as a facade for what hides behind it. The greeting Nano has sent to Berisha has nothing to do either with his civil courage or with any fading of that Red color that has been and remains his persistent and attractive hue throughout his career. It conceals other purposes, even though Nano bears on his shoulders a burden of sins, for some of which he has been obliged to answer to Albanian justice, which explains why he is where he is now. Nano identifies himself and his party as a new political class, thus elaborating a subtext of himself as "equal," and from this standpoint welcomes the formulation of an expression of repentance by Berisha. First, neither Nano nor the PS have anything to do with a new political class, because it is well known that they are the continuation of the Albanian Workers Party and of those structures and patterns of thought that are notorious as a disgrace to the last half-century. The PS, from its base to its Nano-topped apex (since the Socialists like to portray him as a hero), seethes with all the key players and devotees of the old political class, all the cogs of the crimes and genocide that turned Albania into a factory generating "enemies" for lynching. Nano, therefore, before welcoming the president's formulation of an expression of repentance, should first repent himself. This repentance and confession should not be in order to hide like an ostrich from the verdict of justice over all the arson, murder, and destruction that was rampant when he was prime minister, but should be in order to achieve a moral rehabilitation in so far as an act of personal repentance can accomplish this. However, not even an act of this kind nor the payment of an indemnity for his crimes before the judiciary can give Nano and the PS the moral and political right to put themselves forward as the new political class and still less to feel themselves equal to Berisha and the PD, which have now entered Albanian history as those who dug the grave of the dictatorship and the planned and built democracy.

Nano, all the raving commandants and instruments of crime, especially in the years 1990 and 1991, all the compilers of death lists, and all the zealous inquisitors that find themselves in the PS's general staff must not only carry out an act of repentance, but must prepare to be confronted with justice, which, even though it may delay, never forgets.

FRESH Elects New Head Amid 'Bitter' Debates

AU1007200695 Tirana GAZETA SHQIPTARE in Albanian 9 Jul 95 p 5

[Article by Arian Cani: "Eurosocialist Earthquake: Meta Takes Majko's Place"]

[FBIS Translated Text] Tirana—Pandeli Majko is no longer leader of the Albanian Eurosocialists. Ilir Meta, elected by the Second Congress of the Young Socialists, has taken his place. The first warning of this sensational denouement was in the bitter debates and arguments on the first day of the congress of the Albanian Eurosocialist Youth Forum [FRESH]. "The situation in the hall was tense," was the only comment from those present, who have hitherto "confessed" more to the presence of champagne and song among their ranks than arguments. Meanwhile, as Ilir Meta extended his hand to those who had given him their votes, this earthquake in FRESH was perhaps the expected conclusion to the congress.

Disagreements between the presidium and the membership appeared on 7 July, the first day of the congress. There was criticism of Pandeli Majko, now former FRESH chairman, who yet again explained the FRESH standpoint over the last three years. However, the greeting from the imprisoned socialist leader Fatos Nano later electrified the atmosphere in the congress hall. The speeches in the meantime continued for a long time and many delegates expressed criticisms of the leaders of the Young Socialists. "If criticism is leveled at me," Meta said in reply to a question from the floor, "I will reflect on it." Meanwhile, Pandeli Majko said that "those who are raising objections are endangering those who are confronting these objections, and are profiting by expressing an over-hasty allegiance." It was Socialist Party [PS] Deputy Chairman Servet Pellumbi who preferred to take a farsighted view in his speech. "I expect you to approve changes in the FRESH program," he said, "to make a greater commitment to the PS's alternative for the forthcoming elections." However, if Pellumbi talked about the future of his party, there were also those who harked back to the past.

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Majko himself asserted that "The Eurosocialist movement is a progressive movement that will fight bitterly against any communist element that attempts to take power again." There was no lack of response and even heckling over FRESH's successes and failures. There were even those who found Majko's statements "more left-wing than ever." Voices from the floor then spoke in favor of changing the FRESH leadership. These views prevailed on the very next day, during yesterday's voting at the congress.

[Box, p 5]

How Did the Membership React to Nano's Message? The Majority Say, "He Knows When and How To Speak Out"

"Fatos Nano knows what he says and when." This was the message sent from the PS membership immediately following the greeting the Socialist leader sent to Berisha. The Eurosocialist delegates welcomed the greeting from their imprisoned leader to the Albanian president and considered it "normal." Meanwhile, the majority were against the now-released Ramiz Alia taking part in PS politics.

Entela Ruci from Gjirokaster said "Fatos Nano likes to see politics conducted fairly." As for former president Alia, she said, "I have been and remain against his membership of the FS." The Eurosocialist Pjeter Lala from Shkoder did not express his own opinion, but preferred to agree with the imprisoned leader, saying, "I take the same view of this as Nano himself." Meanwhile, Kreshnik Bajraktari from Tirana shook his head to say that "you need to be a first-rate politician to analyze Nano's greeting to Berisha." A girl barely in her twenties sat alone in one corner of the hall at PS headquarters, and said, "Nano should not have sent this greeting to Berisha." When I asked why she thought this, the girl from the south said, "The president has not respected the independence of the courts." As for Ramiz Alia, she said, "I welcome his decision because he is a great politician," adding that "he would be one more professional politician for the Socialists." At a table where there was a lot of singing, delegate Marsida Sula from Elbasan said, "Nano simply sent a greeting to Berisha and nothing more," commenting that "Nano thereby increased his standing." Her friend Sokol Arapi preferred to explain the reason for Nano's greeting to Berisha. "The leader realizes that he may get out of prison," he said, "and is therefore showing tolerance." Meanwhile Genti Braka from Fier said, "It is normal to greet the president. This shows that Nano has appreciated his contribution." It seems that the Eurosocialist young people were interested in expressing their opinions about the letter sent by Nano to their congress, through which the Socialist leader greeted President Berisha.

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Iran's Habibi, Videnov Hold Talks on Investment

LD1007174495 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1630 GMT 10 Jul 95

[FBIS Translated Text] The first round of talks between First Vice President Hasan Habibi and Bulgarian Prime Minister Zhan Videnov were held in Bulgaria today.

At this round of talks, the Bulgarian prime minister expressed gladness about the visit to his country by Mr. Habibi and his entourage. Referring the strategic importance of the two countries in Asia and Eastern Europe, he stressed the necessity for the expansion of economic and commercial cooperation between the two countries.

He declared his country's readiness for more cooperation in land, sea, and air transport, and industrial, agricultural, and cultural joint investments with the Islamic Republic of Iran.

Mr. Habibi declared Iran's readiness to achieve the aims desired by the two sides. He said: Through joint investments in agriculture, industry, and transport, we would like the way for cooperation between the two countries to be paved more than ever.

Referring to the present crisis in the Balkan peninsula, he expressed the hope that, with the cooperation of regional countries, the crisis Bosnia-Herzegovina will end.

At the end of the first round of talks between Iran and Bulgaria, joint committees were set up on transport, commercial, agricultural, and cultural fields to review practical ways toward desired goals.

Government Puts Embargo Losses at $6 Billion

AU1007120995 Sofia DUMA in Bulgarian 7 Jul 95 p 2

["DUMA PRESS" staff report: "We Have Lost $6 Billion From Embargo"]

[FBIS Translated Text] On 6 July Dinko Dinkov, secretary of the Government Commission on UN Sanctions Observance, announced that during the period from mid-1992 to the end of 1994 Bulgaria lost $6.189 billion at a result of the Yugoslav embargo. The calculations were made according to a procedure supplied by the UN Development Organization, but it is almost impossible to assess precisely our direct and indirect losses from the embargo. By cutting the lines of communication that pass through former Yugoslavia, the sanctions led to Bulgaria's isolation from Europe. Dinkov also stressed that they also hampered the development of Bulgaria's relations with the European Union.

The International Monetary Fund has also worked out a method for calculating the embargo's effect on the country's balance of payments, according to which we have lost $1.119 billion.

Dinko Dinkov stated that the idea of a green corridor for shipping perishable goods to Central and East Europe failed to work in practice.

According to Eberhard Grossman, leader of the sanctions assistance mission to Bulgaria, the Yugoslav sanctions have been applied in an superlative manner. He promised to state this view of his at a conference on coordinating the application of the sanctions that will be held in Vienna on 14 July.

During the first half of 1995 teams from the sanctions assistance mission inspected 9,000 empty and loaded trucks passing through the Kalotina Border Checkpoint and discovered only six attempts to breach the embargo. In addition, 189 river convoys with 745 barges passed through the port at Vidin without problems.

Dinkov said that in February problems arose in connection with the shipment of PVC materials, but that these had been overcome. I do not know whether the United Nations will take our report on payment of compensation into consideration, Grossman said, and added: "The compensation payments do not lie within my competence, and I cannot make any statement about them in Vienna."

Gen Dimitrov Denies He Ambitious for Power

AU1007120695 Sofia BULGARSKA ARMIYA in Bulgarian 7 Jul 95 pp 1, 3

[Interview with Major General Stefan Dimitrov, head of the president's Military Office, by Georgi Kardanov; place and date not given: "Let Us Create Conditions To Prevent Crises and Conflicts"]

[FBIS Translated Excerpt] [Passage omitted] [Kardanov] Some time ago, the media accused you of having excessive ambitions for military power, which is inappropriate for an office with advisory functions. Were these mere speculations or symptoms of real apprehension?

[Dimitrov] The admonitions concerning excessive power ambitions were not only groundless but also ridiculous. They came from people with the very same ambitions who stopped at nothing and caused many officers to leave the Army. The attacks mainly occurred following publication of Decree No. 269 and the ensuing documents that legally defined our duties and our sole right, namely to gather (or receive) information about the Army and report it in undistorted form to the supreme commander in chief—the president.

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Our attackers did not like the fact that these interrelations are being properly regulated and that someone besides them can inform the president, which naturally deprived them of opportunities for "games," "manipulations," and doctoring the information.

Attacks also came from party publications that were indirectly aimed at the president. Even now, it is very difficult for certain people to see the Bulgarian Army as a national, depoliticized institution. [passage omitted]

[Kardanov] You are one of the officers who do not accept the present state of affairs as regards armaments in the Balkans, as created by the outdated Treaty on Conventional Armed Forces in Europe (CFE). In your view, what first essential step might be taken at this time to avoid flagrantly upsetting the military balance in the region and violating mutual trust?

[Dimitrov] The "first essential step," as you describe it, is already being taken. Through bilateral and international collective treaties, by political and diplomatic means, and by increasing joint military exercises and contacts, conditions are being created to prevent military crises and conflicts.

As regards the military balance, I am an optimist and believe that in the future, international public opinion will support the calls by certain states to ensure a mutually acceptable correlation between the most important components of the military potential of neighboring states, particularly in the geographically defined zones of contact. This should be implemented step by step, which naturally gives rise to the question: What is the first step? It is to achieve agreement among the states that disputed issues should not be settled by military means. The next step is for them to sit down and reach agreement on who is to keep what forces in these zones and why. This, in my view, also implies considering how to further develop the CFE Treaty on a more global scale.

[Kardanov] On some occasions, the leaderships of the General Staff and the President's Military Office have been unable to properly settle questions relating to their mutual rights and responsibilities.... What are relations like today between the Bulgarian Army's military leadership and the President's Military Office?

[Dimitrov] The Military Office's attitude toward the General Staff's leadership and to all military servicemen has always been and will remain open, based on principle, and in conformance to the documents that define these relations, which include the statutes of the Armed Forces. Our relations with the present leadership of the General Staff are correct.

[Kardanov] One has the impression that, as far as the political forces and the Bulgarian public are concerned, the NATO issue is becoming an "apple of discord" instead of a "pipe of peace." Where do you see the dividing line for its sensible solution?

[Dimitrov] The NATO question is a political issue of national importance. However, it should not be reduced to a party issue. For this reason, I can say no more.

[Kardanov] Do you find any contradiction in our situation, where we are striving to integrate ourselves into the European and Euro-Atlantic structures, and yet the Armed Forces are obliged to seek new weapons and spare parts from Russia?

[Dimitrov] I see no contradiction. The Greek and Turkish Armies are in NATO, yet one of them was supplied with "Osa" [Wasp] air defense missile systems and the other with equipment from the army of the former GDR.

Some people try to conceal or pass over in silence the fundamental values of the European security structures, including NATO. In NATO, the decisions are reached by consensus, without outside interference. Furthermore, the army of every member state has the right to choose its own weapons, equipment, and munitions. Unification is only required in the communications system. This is quite natural; otherwise, how can we cooperate in the course of carrying out joint assignments, such as in peacekeeping operations, for example, if we cannot communicate with one another?

Speculation exists about the deployment of nuclear weapons, military bases, and many other things. One of the rights that the member states have is to take account of their national legislation. Our own Constitution defines who decides questions relating to foreign forces (bases, and nuclear weapons), and that is parliament. Parliament is bound to defend our national interests. It is very difficult for states whose parliaments adopt decisions under foreign dictate.

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Short Circuit Causes Fire at Nuclear Plant

AU1107103795 Prague MLADA FRONTA DNES in Czech 10 Jul 95 p 3

[Article by "(san)": "A Fire at the Dukovany Power Plant"]

[FBIS Translated Text] Dukovany—A fire broke out in the Dukovany nuclear power plant's electrical wiring on the morning of 9 July. Firemen from the local station extinguished the fire in a few minutes. According to the nuclear power plant's spokesman, Petr Spilka, the fire did not put the safety of the nuclear procedure at risk, and no one was injured or killed during it.

According to preliminary reports, the fire was caused by a short circuit in a distributor in the power plant's first block.

This is the second fire in the electrical equipment in two years and the second time the Dukovany firemen have had to intervene. Spilka confirmed that, about 18 months ago, a fire broke out in a transformer and, because of it, the power plant's staff had to take one reactor block out of operation.

According to Spilka, however, there is no risk. "We have sensors everywhere that give immediate warning of the smallest fire," he explained.

The sensors gave warning of yesterday's fire in the wiring just before 0930. The fire was extinguished by 0945. "The distributor where the fire began is part of a block that is not in operation at the moment because of refueling," said the spokesman. He also said that the distributor was not connected to any important equipment, even to the power plant's safety system.

According to Spilka, the damage caused by the fire is quite negligible. The equipment damaged by the fire should be replaced.

FRG's Scharping Expects Declaration on Relations

AU1007172195 Prague MLADA FRONTA DNES in Czech 8 Jul 95 p 2

[Article by Emilie Harantova: "Czech-German Reconciliation Is a Matter of Weeks, Claims Opposition SPD Chairman Scharping"]

[FBIS Translated Text] Prague—Yesterday's visit to Prague by the leader of Germany's strongest opposition party, Rudolf Scharping, was yet another step on the road toward the anticipated Czech-German reconciliation.

Like the other German political representatives who have visited Prague in recent months, in his talks the SPD [Social Democratic Party of Germany] chairman also focused, first and foremost, on clarifying the two sides' views on the joint declaration by the two countries' parliaments, which should orient mutual relations toward the future and remove the burden of past wrongs from them.

Following his meetings with Prime Minister Klaus and Foreign Minister Zieleniec, Scharping asserted that this declaration should be adopted in the coming weeks.

"In Czech-German relations, it is necessary to close the past once and for all and to open up the future," emphasized Scharping after yesterday's talks. "At the same time, I hope that the joint declaration can be adopted in the weeks to come." According to him, he will discuss the whole issue with Chancellor Helmut Kohl next week; the final solution depends on his agreement.

"We must not squander this chance," emphasized Scharping. "If we were to fail to take advantage of it now, that could have very long-term and very harmful consequences for relations between the two countries."

Josef Zieleniec expressed the same conviction. "The election campaign begins in our country next year, and it is terribly important that this campaign is not weighed down by this issue," the foreign minister said.

Both Scharping and Zieleniec highlighted the importance of the declaration, which will form the foundation for the further development of Czech-German relations being adopted by the parliaments. "The entire issue is of a dimension that exceeds the framework of individual parties, and it must be dealt with on a supraparty level," emphasized Zieleniec. Thus, the declaration will become a valid act ad infinitum.

The domestic opposition also confirmed yesterday its willingness to support a final settlement of relations between Bonn and Prague. "A possible joint Czech-German declaration has to be underpinned on a broader basis than that of the—temporarily—governing political parties," said Milos Zeman, chairman of the Czech Social Democratic Party [CSSD], yesterday at a news conference with Rudolf Scharping. "The CSSD will take an active part in the preparations for the parliamentary declaration. I welcomed this initiative because I think that each country's foreign policy should have continuity, regardless of its election results," said Zeman.

A joint act by the governments of the two countries would then come after the declaration. German Foreign Minister Klaus Kinkel is to come to Prague in the foreseeable future to make arrangements for this. At the same time, according to diplomatic sources, nothing is being changed in the overall timetable, despite the fact that Kinkel was originally expected to visit in June.

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"The parliaments are working on the declaration, and I am convinced that we will manage to adopt the planned measures as early as the fall. Otherwise, everything will be postponed by at least two years," a senior Foreign Ministry official said.

Daily Analyzes 'Confusion' in Relations With Iran

AU1107075495 Prague MLADA FRONTA DNES in Czech 8 Jul 95 p 2

["Analysis" by Jaroslav Kmenta: "Contacts With Iran Are Almost Always Accompanied by Confusion"]

[FBIS Translated Text] Prague—If there has been something in the Czech Republic in the past three years that certain Western countries, especially the United States, do not like, it is obviously our complicated relations with one of the most problematic countries in the Persian Gulf—Iran.

Contacts with this state are almost always shrouded in secrecy and accompanied by confusion. Of late, this has been confirmed by the situation that developed last week around Prime Minister Vaclav Klaus's invitation to Tehran.

In the Swiss town of Crans-Montana, where an international economic forum was being held, Iranian Foreign Minister 'Ali Akbar Velayati first of all divulged that Prime Minister Klaus had accepted an invitation to visit his country. This, according to the REUTER agency, was then confirmed by the spokesman for Zieleniec's diplomatic corps.

A few hours later, however, the Foreign Ministry issued a statement saying that it could not confirm Klaus's visit to Iran because none of its officials had been at the talks with Velayati. In the end, the government's spokesman, Vadim Petrov, cleared up everything. He said that the Iranian minister had conveyed an oral invitation to the prime minister but that Klaus had turned it down.

The controversial visit to Prague in 1993 by the writer Salman Rushdie, for example, foreshadowed this misunderstanding. While President Havel considered his meeting with the author of *The Satanic Verses* to be worthwhile, Prime Minister Klaus did not, at that time, support the visit because he saw in it a threat to the repayment of the Republic's outstanding claims in Iran.

A few months later, explaining the business activity of Lubomir Soudek, the head of the engineering giant Skoda Plzen, again caused an avalanche. Because of Skoda's flirting with Iran, Foreign Minister Josef Zieleniec even had to go all the way to Israel and promise its prime minister that Czech firms would not take part in supplying technology for the Iranian nuclear industry.

Likewise, Czech diplomats again had to explain Soudek's mission to Tehran, after which it was made public that he had offered the Iranians technology to repair the T-72 tank, and abrogate the arrangements originally agreed upon.

Iran, a country that, according to the United States, supports global terrorism, has long been striving for a meeting with Prime Minister Klaus. The Islamic country's most senior leaders invited him to visit as early as October 1993, when Trade and Industry Minister Vladimir Dlouhy was in Tehran.

"Klaus is under constant pressure from businessmen and tradesmen, who have a considerable interest in constructing even more in this country and in selling their products there. The issue here also involves getting back millions in outstanding claims, and only the most senior government officials, specifically the prime minister, can assist the businessmen in this," said a Foreign Ministry official yesterday.

According to the diplomats, the Czech Republic has to adopt a dual approach toward Iran. "It is desirable for us to distance ourselves from a regime that supports terrorism; on the other hand, Iran is an important trading partner for us, and, therefore, we have to try to continue to conduct business in this region and to get back the significant debts," added a diplomatic source.

However, the diplomats and politicians agree that, given the chosen means of conducting diplomacy, contacts with Iran must not be accompanied, as they have until now, by scandals and various diplomatic aberrations.

Zieleniec on EU Summit, European Expansion

AU1007200495 Prague TYDEN in Czech 3 Jul 95 No 27, p 30

[Interview with Czech Foreign Minister Josef Zieleniec by Josef Vesely in Cannes; date not given: "We Will Not Start From Scratch"]

[FBIS Translated Text] "Our policy is and will remain pro-European, and it does not at all depend on the good or bad organization of whatever meeting. This policy is dictated by the principle of the issue," Czech Foreign Minister Josef Zieleniec said in an interview for TYDEN. "A basic tendency toward the discussion between the candidate countries and the EU's becoming increasingly specific found its expression at the Cannes summit. As the mutual dialogue has been gradually becoming structured, it is turning into a prejoining debate. Hence, the direct talks on the admission of the Czech Republic, which are to begin after the intergovernmental conference in 1996, will not begin from scratch and will no longer be a pivotal point. I rather believe that

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the discussions that we are conducting at present will gradually turn into official talks on integration."

[Vesely] How would you define the recently adopted EU white book on our approach to the Fifteen?

[Zieleniec] I believe it to be a certain guide through the EU legislation. It will be one of the most important documents in future talks on membership.

[Vesely] It seems that the EU currently has enough problems of its own.

[Zieleniec] Undoubtedly so. This has also become clear in Cannes. The controversial development within the EU, particularly the fact that problems that were settled once before keep coming back, testify to the diminishing accord within the Fifteen. The EU thus indirectly confirms that it has to do a lot itself to be able to start the process of eastward expansion.

It is apparent that summits do not go into detail and serve more to establish personal contacts than to negotiate on practical problems. Nevertheless, even this dimension is of fundamental importance. The very possibility of meeting on the highest level with leading European statesmen, who so far have discussed the strategic questions only among themselves twice a year, is a very substantial change for the better for the countries of our region.

Government Approves Framework Agreement on Refineries

AU1007124595 Prague MLADA FRONTA DNES in Czech 8 Jul 95 p 1

[Article by "(rez)": "Foreign Firms Will Enter the Domestic Refineries"]

[FBIS Translated Text] Prague—The government concluded the almost three-year-long negotiations on the fate of the Czech refineries yesterday and approved the main framework agreement with the IOC international oil consortium.

The Italian Agip company, U.S. Conoco, and the multinational Shell organization, which remained in the consortium following the sudden withdrawal of the French Total firm, are to get 49 percent of the shares in the Kaucuk Kralupy and Chemopetrol Litvinov refineries for $173 million, which is just under 4.5 billion korunas [Kc]. The remaining 51 percent will stay within the ownership of the Czech Unipetrol company.

"This was the most difficult decision ever made during my term of office at the ministry," admitted Trade and Industry Minister Vladimir Dlouhy. According to him, the Czech negotiators obtained a number of concessions, and the agreement, which should be signed on 11 July, is the best possible settlement that could be reached in the current situation.

According to the agreement, the foreign firms will also play a significant role in the refineries' development program, which will require investments of at least $480 million—some Kc12.5 billion.

"This is a government proposal and we can do nothing about it now," said Kaucuk Kralupy's press spokesman, Tomas Zikmund, in commenting on the government's decision. According to the Kaucuk spokesman, whose management, as opposed to that of Chemopetrol, has never made secret the fact that it would prefer independent refineries, the project's success will depend on the commercial agreements that will be concluded in conjunction with the framework agreement.

At the same time, the government did not approve the framework agreement unanimously. "First and foremost, there was a more serious debate about the ecological commitments and the rising proportion of foreign firms on the domestic market," said Deputy Prime Minister Josef Lux. According to the government, former ecological damage and the refineries' irrecoverable outstanding claims will be paid for not by the state, as the consortium had originally demanded, but by the National Property Fund. The Environment Ministry will endorse the legitimacy of these claims.

According to Vladimir Dlouhy, all of the commercial agreements should be finalized by mid-November. "One of the most complicated things will be to make sure that, following the refineries' separation, the economic impact on the remaining petrochemical products in Kralupy and Litvinov is kept to a minimum," said Dlouhy.

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Minister Kozlik To Be Released From Hospital

AU1107113995 Bratislava PRAVDA in Slovak 7 Jul 95 p 3

[Article by "ad": "Indisposition Caused by Viral Flu"]

[FBIS Translated Excerpt] Bratislava—Sergej Kozlik, deputy prime minister and finance minister, will be released today from the hospital to which he was admitted for a diagnostic and preventive examination. As Vladimir Majtan, director of the Interior Ministry hospital, confirmed for us, the reason for his hospitalization was a brief bout of weakness caused by flu symptoms. Majtan did not rule out a viral origin of the illness, which, according to him, is nothing extraordinary. "It was nothing serious," he said.

Sergej Kozlik's health problems manifested themselves in a high temperature and physical indisposition. [passage omitted] The patient's present condition is good. The Slovak Government's number-two sought out hospital treatment on 2 July, shortly after his return from Crans Montana, Switzerland. According to the physicians, the indisposition was also caused by overwork and general exhaustion, which are typical of several ministers of the present and also previous governments. According to Majtan, this is a consequence of lack of movement, an irregular life-style, and lack of balance between work and relaxation. [passage omitted]

We also tried to find out about Prime Minister Vladimir Meciar's state of health. The prime minister had to leave Crans Montana prematurely because, in his case, problems similar to those of Sergej Kozlik manifested themselves even earlier. However, the prime minister was in Sala yesterday, at a meeting of government members with employers, trade unionists, and financial experts, which, according to Government Office staff, is a sign of his good condition. However, the prime minister was unable to participate in some planned events recently because of his health problems. According to experts, the treatment of a flu of this type usually takes between three days and one week.

[Bratislava PRAVDA in Slovak on 8 July on page 2 carries a 100-word TASR report entitled "Sergej Kozlik at Home," which confirms that the deputy prime minister was released from the hospital on 7 July "as healthy."]

President Views Relations With Prime Minister

AU1007164395 Bratislava NARODNA OBRODA in Slovak 7 Jul 95 pp 1, 3

[Interview with Slovak President Michal Kovac by Julius Gembicky in Bratislava on 6 July: "Michal Kovac: I Do Not Consider a Handshake at Church Services an Empty Gesture"]

[FBIS Translated Excerpt] Bratislava—We asked Slovak President Michal Kovac yesterday afternoon not only to assess John Paul II's visit to Slovakia, but mostly to give us something like a prognosis or his expectations for future political development.

[Gembicky] Mr. President, how would you on the whole assess the significance of the Holy Father's visit? Can it contribute to a future settlement of the political situation in Slovakia?

[Kovac] We will probably have to wait a while for an overall assessment. This will only be possible in retrospect. Today, however, we can already say unequivocally, that for the future development of Slovakia, it has been a historic visit. This is true in at least two aspects. First, it is true with respect to the reinforcement of certain spiritual values and messages. Second, it can also be of historic importance in the sense that it can help in civic reconciliation. The hundreds of thousands of people who attended the meetings with the Holy Father and the Masses demonstrated that certain values exist that are capable of uniting the great majority of people. These are universal values, general humane, and Christian, and endorsed, as we have learned, by all of the political entities. The participants apparently voted for a very broad political spectrum. If the party leaders notice this, and if they draw from it certain conclusions, real possibilities will arise to build a civic and national reconciliation on this basis. [passage omitted]

[Gembicky] After a long time, you and the prime minister shook hands. Do you believe this to be a real basis for pan-social reconciliation or its first genuine demonstration? What relation mechanisms and communication among the triumvirate of the highest constitutional officials could be beneficial in dealing with the rift in our society, in solving our problems?

[Kovac] Before the arrival of the Holy Father, I gave an address to the citizens that dealt with more than just a handshake. I attribute much more significance to it in terms of the solution to relations between the constitutional officials. I perceive the handshake as a matter of course. I have never considered an interruption in communication between the president and the prime minister to be reasonable. Moreover, if we both subscribe to Christian values, a handshake at a church service should not be an empty gesture. It could be a well-meaning mutual step toward conquering the tension or, God forbid, acrimony, and to demonstrating the ability to rise above certain things and prioritize higher things: cooperation in the interest of Slovakia and its citizens.

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A suitable form would be a constant dialogue. I discussed some mechanisms of a permanent dialogue with Prime Minister Meciar on 11 January of this year, and we discussed the mechanisms of mutual communication in detail. I was convinced that it was a binding agreement, and I am not aware of any act of mine that has meant a violation of this agreement. Unfortunately, the other party acted differently: The parliament spent an entire day discussing my answer to Orme, the budget of the Chancellery of the President was reduced, an accusation was made that the president was aware of some Movement for a Democratic Slovakia officials being under Slovak Information Service surveillance, and it culminated in the parliament no-confidence vote and an appeal by Mrs. Kristin on television, the rejection of my television address. And all of this was done as if in spite of our January agreement with the prime minister. Nevertheless, I have not drawn from these measures the conclusion that there is no way out. Thanks to the visit of the Holy Father to Slovakia, a way out is coming: Its prerequisite is, however, mutual recognition and respect for certain values, which must result in goodwill. Without goodwill, cooperation simply is not possible. By goodwill I mean, for instance, stopping the police operation of verifying the Democratic Union signature sheets, abolishing the parliamentary investigation commissions, reassessing the composition of the electronic media councils so that priority is given to independent experts who would guarantee a plurality of opinion in the media. A positive step would also be a plurality composition of the Special Supervisory Body [for the work of the Slovak Information Service] and discontinuing the change of personnel at all possible levels for party reasons, etc.

[Gembicky] Do you currently communicate with the prime minister?

[Kovac] No.

[Gembicky] What topic did you discuss with the prime minister in your last conversation?

[Kovac] It had nothing to do with any political topics. We spoke on the social level about common things, the idea being to establish that we are not so far apart as to be unable to communicate at all.

[Gembicky] In August, you will receive the U.S. lawyers' price for building a state based on the rule of law. How do you value this important recognition?

[Kovac] I assume that prominent representatives of law in the United States follow political life in the postcommunist countries, and in Slovakia they have noticed the different concepts of building a state based on the rule of law. They also observed deviations from the standard perception of democracy at work, of the executive power in a parliamentary system. And I had to demonstrate myself as a person coresponsible for the reinforcement of law and democracy. Therefore, several times I had to stand up openly against these deviations or deformations. The American Lawyers' Association must have noticed this.

[Gembicky] What speeches do you believe we are talking about most of all?

[Kovac] I do not believe that it was a matter of a few specific speeches. They most likely formed an overall picture from numerous reactions to the current situation, be it appearances or speeches in the media, stands in press interviews, or stands that I expressed by returning some National Council of the Slovak Republic laws, etc.

[Gembicky] You have already attended two meetings of Central European presidents. Have you also viewed models of parliamentary, presidential, and chancellor systems?

[Kovac] No. Almost all of the presidents confirmed that there are certain natural antagonistic stands of the components of power in the individual countries, and that is the purpose of the democratic game. There is, however, a difference between the advanced democracies and us: The Constitutions in the advanced democracies reckon with situations whose solutions are not available in our Constitution. One such example is an event of a parliamentary or a government crisis. We have no solution simpler than calling new elections, if there are enough deputies—three-fifths—in favor of this, but the Slovak president does not have the power to call new elections. The president has the option of returning a bill with which he disagrees, but it can be passed again by the same number of votes. Elsewhere, a higher quorum is needed. In Slovakia, we are seeing a very simple process of depriving the president of the powers defined by an ordinary law. Similar problems also exist, however, in other postcommunist states, and I believe that there are probably fewer here and that with goodwill they can be solved.

[Gembicky] The Holy Father pointed out the dangers of nationalism, the need to maintain democratic values, dialogue, and democracy. Do you believe that the confrontational tone of Prime Minister Meciar toward the president and other political partners will cease after this visit?

[Kovac] I would like to believe so. It is precisely these values that are the universal ones that form the basis for a normal operation of any society. It is not an accident that the Holy Father emphasized these values. He is apparently well aware of our situation

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and knows that confrontation is going on here instead of cooperation, and other values, very attractive at first sight, are being substituted to people for the universal ones, and these values then divide society. In the final analysis, pseudovalues lead to a destruction of human relations. They result in a certain part of the people not acting in harmony with their consciences but rather without any regard to them—according to the immediate material gain or purpose.

[Gembicky] How do you yourself, Mr. President, intend to contribute to future favorable development?

[Kovac] I will incessantly continue to offer my cooperation to all political forces in this society, particularly the government coalition, the prime minister, and the deputies in parliament, and I will also do my best to avoid disturbing the line of mutual dialogue and understanding in any way.

MOS Labels Draft Language Law 'Fascistoid'

AU1107075295 Bratislava SME in Slovak 7 Jul 95 p 2

[Article by "do": "Fascistoid Draft Law on State Language"]

[FBIS Translated Text] Bratislava—After compiling the draft principles of the law on the state language of the Slovak Republic, the Ministry of Culture has now also drafted an article-by-article rendition of the bill. Laszlo Gyurovszky, deputy chairman of the Hungarian Civic Party [MOS], briefed reporters on the bill's contents yesterday.

According to the MOS deputy chairman, the bill is clearly directed against minorities and represents the most serious encroachment yet upon the civil sphere. Gyurovszky's greatest objections concerned the article that regulates the use of the state language in public information media and culture and at public assemblies. The provision that periodical and nonperiodical publications be issued in the state language and the publication of press in other languages be governed by special regulations was labeled by him as an anticonstitutional violation of freedom of the press. He also criticized the article stipulating that ad hoc printed matter, catalogues of libraries and galleries, and cinema, theater, and concert programs be issued in the state language and cultural and educational events also be organized in the state language. Ethnic minorities' cultural events are an exception, but the guiding words (moderation) must be in the state language first. Similarly, the background materials for such assemblies must be compiled in the state language. According to Gyurovszky, this article is clearly fascistoid in nature and seriously encroaches upon the private sector.

The bill envisages the formation of the Central Linguistic Inspectorate as a special supervisory body operating under the Culture Ministry's State Language and National Letters Section. Gyurovszky voiced his astonishment that an inspectorate should be established to monitor the observance of a single law. The law on the state language abolishes the currently valid 1990 law on the official language, which regulates the use of minority languages in dealings with the authorities, without addressing the issue of minority languages' usage in any way. The draft states that the law should go into force on 1 September 1995.

[Bratislava NARODNA OBRODA in Slovak on 7 July on page 2 carries a 100-word CTK report entitled "End to Czech Programs on Slovak Television?" The report quotes Peter Juras, chairman of the Slovak Council for Radio and Television Broadcasting (RRTV), telling reporters on 6 July that, "under the principles of the law on the state language in Slovakia, Slovak Television should not broadcast any programs in Czech or any other languages except Slovak," to which the RRTV has reportedly "raised objections."]

Car Explosion Linked to Arrest of 'Mafia Boss'

AU1107111695

[FBIS Editorial Report] Slovak and Czech newspapers of 7 July report extensively on the explosion of a passenger car in downtown Bratislava on 6 July, both passengers of which were killed instantly. Some of these reports establish a connection between the explosion and the arrest of an Italian "mafia boss" in Bratislava on 29 June.

Bratislava PRAVDA in Slovak on 7 July on page 3 carries a 150-word TASR report entitled "Italian Sought by Interpol Detained." The report quotes a statement issued by Police spokesman Dusan Ivan on 6 July, according to which "the Slovak Police detained 37-year-old Italian Domeniko Branco, whom the Italian Police suspect of being one of the chiefs of Calabria's 'Ndrangheta, a local mafia, in Bratislava last week." The Slovak Police reportedly "managed to locate Branco's residence and to arrest him on Kolarska Street, just as he was trying to call his family in Italy." Branco is said to be wanted by Interpol because of "organization of drug trafficking and participation in murder."

Prague MLADA FRONTA DNES in Czech on 7 July on page 4 carries a 400-word report by Karol Wolf, the paper's Bratislava correspondent, entitled "Two People Died in Bratislava War of Gangs When a Charge Exploded in a Car." Referring to the explosion in downtown Bratislava on 6 July, Wolf points out that "this was the first case of settling of accounts in the

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Bratislava underworld during the day and at a place routinely frequented by large numbers of people." Wolf identifies one of the two victims of the explosion as "gangster Danis, one of the Bratislava mafia bosses, popularly known as 'Tuki.'" Speaking about possible motives for the incident, Wolf says: "According to some sources, the explosion could be directly linked to the recent arrest of one of the most wanted bosses of the Italian mafia, chief of the northern branch of the criminal cartel Drangheta Calabria, Domeniko Branco. Branco was arrested in Bratislava on 29 June, thanks to cooperation between the Italian and Slovak Police, and the information leading to his arrest is supposed to have been provided precisely by Danis."

Home Guard Units To Follow Norwegian Model

AU1107115695 Bratislava PRAVDA in Slovak 7 Jul 95 p 2

[TASR report: "Home Guard According to Norwegian Model"]

[FBIS Translated Excerpt] Bratislava—[Passage omitted] Slovak Defense Minister Jan Sitek held talks with his Norwegian counterpart, Jorgen Kosmo, yesterday. He briefed his guest on the Defense Department's activities on intensifying cooperation with European countries, aimed at integration into West European political and security structures. An important aspect of the meeting was the promise to capitalize on experience from the organization and operation of Norwegian home guard units, in which about 90,000 men are organized. As Kosmo told a news conference, Norway's Army has approximately 32,000 men, but its strength can be increased to 200,000-250,000 men in the event of a threat to the state. Kosmo also visited the National Council of the Slovak Republic [NRSR], where he met with NRSR Deputy Chairman Marian Andel and members of the Defense and Security Affairs Committee. In connection with the establishment of a home guard in the Slovak Republic, he made the offer of more intensive relations between individual components of the Norwegian and Slovak defense ministries.

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Defense Official on Army Modernization, NATO

AU1107103295 Budapest MAGYAR NEMZET in Hungarian 10 Jul 95 p 9

[Article by Tibor Toth, deputy state secretary at the Defense Ministry: "Army Tasks—The New Member State Cannot Be a Security-Reducing Factor"]

[FBIS Translated Text] Hungary's NATO accession is mainly a political issue. When they see that the time is ripe, NATO's member states will decide primarily on the basis of political considerations which country to allow into the alliance system.

However, since this is a fundamentally defense-type alliance, military conditions also play an important role in addition to the political considerations. One of these is the expectation that the new member should be able to guarantee its own security within realistic limits and that it should contribute to the alliance's joint security. In other words, the new member states should play a increasing security role rather than a reducing role from the viewpoint of the alliance. The military aspect is only one of the components of this role because the candidate's domestic stability and balanced relations with its neighbors are at least as important.

It is important to emphasize that the nonpolitical conditions do not only—and do not primarily—apply to military abilities, rather, they apply to the defense sphere in a broad sense of the term. Democratic control and supervision of the military forces are unavoidable. It is also important to apply a NATO-compatible method for the defense budget, to ensure its clarity, and to use integrated defense planning. Adjustment in decision making and in institutions, plus the implementation of legal harmonization are not negligible, either.

From a military point of view, we can meet the requirements if we have a military force that corresponds to the country's security needs and economic capacity, and is suitable to cooperate with the NATO states' military forces and the alliance's military organization. The recently accepted draft reform of military forces defines that strengthening the ability to integrate is a corner stone of development.

Naturally, the transformation of the Hungarian Army is a longer-term process; however, in certain areas, significant progress can be made in improving the ability to cooperate within a relatively short time. In the short-term and even in the medium-term, transformation primarily requires the establishment of so-called intellectual compatibility, while the replacement of the extremely costly technical systems can be achieved over a longer time span. The only exceptions to this are highest level telecommunications, control of air space and aerial supervision, and some elements of the logistics system, in which cases it is essential to establish technical compatibility at the earliest.

Intellectual compatibility is a very broad notion; it includes all the principles of operation and function on which the activities of the whole armed forces are built. Reassessing the strategic and tactical principles of applying armed force, and their adjustment to the changed external circumstances and to the requirements of NATO membership are salient points among the general tasks. These requirements point in the direction of a smaller and flexible armed force that can quickly be strengthened through mobilization, can be used for various purposes, and is suitable for international cooperation.

Short-term tasks mainly appear in areas where results can mostly be achieved through using the existing intellectual and material resources, without spending billions of forints. Preparations for changing over to a longer-term planning system has been started, and filling up the data base of the new planning system and drawing up the schedule for the changeover are under way. Out of the partner states that cooperate with NATO, Hungary was the first one to sign the agreement on the legal standing of troops stationed abroad, which provides the legal background for exercises within the framework of the Partnership for Peace program.

In the interest of intellectual compatibility, we must start to process the regulations that form the basis of cooperation, and to change the system of Hungarian military regulations.

Cooperation is unfeasible without rapidly increasing the number of officers who speak foreign languages. According to the plans, the Military Language Education Center will be opened in September. It is also necessary to develop language education related to the profession at the troops, to introduce technical language tests in accordance with NATO standards, and to organize basic language education for a wide range of people.

Many elements of cartography can also be listed among the short-term tasks. Hungary is ready to produce and publish the elements of NATO maps which apply to Hungary, and it is possible to introduce the education of mapping methods used in NATO in domestic officer training. Strengthening the ability for joint operation [interoperabilitas] of units that cooperate within the framework of peace partnership must also be mentioned as a task faced by the Hungarian Army.

The technical side of cooperation also has to be strengthened, and this requires the definition of priorities. In cooperation with the United States, preparations have

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already begun for the process that will lay down the basis for a NATO-compatible air space control and supervision both in civilian and military aviation. We must also take this step in the area of telecommunications.

All in all, it can be said that the Hungarian Army's tasks are extremely complex already in the period preceding integration. However, it must not be forgotten that, as "proceeds" of the preparation for integration, a model that is more efficient in itself has to be created. This basic concept is reflected in the approach according to which the transformation of the Army and preparation for NATO integration are inseparable tasks.

Defense Institute Official on NATO Membership

AU1007201895 Budapest MAGYAR NEMZET in Hungarian 10 Jul 95 p 9

[Unattributed report on interview with Laszlo Nagy, deputy director of the Strategic and Defense Research Institute; place and date not given: "We Can Count on Serious Consequences—Foreign Troops in Hungary?"]

[FBIS Translated Text] It seems that, at least for now, most of our citizens do not have sufficient information to be able to decide consciously whether Hungary should join NATO. The decision will probably be preceded by a referendum, Laszlo Nagy told us and reviewed the issues in which, in his view, the positions have not yet become sufficiently clear.

First of all, Nagy pointed out that the conditions of joining NATO are not yet clear, namely what a country or army should be like to gain acceptance. Although we have received promises from NATO that they would formulate the requirements more concretely in December 1995, Nagy does not think that these requirements will be concrete at all. Nor can they be so, because admission to NATO has always been a political decision and will remain so. The West has frequently mentioned various requirements such as a market economy, clarity of military budget and planning, compatibility interpreted in a rather flexible way, and "civilian control," which is rather difficult to define; however, it is only a matter of evaluation when a country is regarded as ready for membership.

It clearly transpires from all this that it is impossible to calculate the cost of membership. Although various figures are circulating in connection with this, these calculations remain unfounded as long as we miss the concrete obligatory conditions. Nor is the GDP percentage threshold figure clear enough, because the relevant figures of the current member states show great differences. Nagy added that, according to some estimates, our joining the organization would cost NATO an extra $20 billion. The only problem with this estimate is that it does not specify the countries that would incur this extra expenditure.

Nagy also pointed out that, in the initial phase of enthusiasm, we rather forgot that NATO membership could also mean serious obligations. The principle of collective defense does not only mean that NATO would defend Hungary against a possible threat; it also means that Hungarian soldiers might have to participate in combat operations far from our region and our sphere of interest. NATO membership for us might also lead to the deployment of foreign troops in Hungary, especially as Hungary would be a border country for a time in any case. The situation becomes even worse with the possible deployment of nuclear weapons. At the North Atlantic Assembly meeting held in Budapest at the end of May 1995, the chairman of the assembly issued the following official statement meant to "calm" the people: In peacetime, NATO does not intend to deploy nuclear weapons on the territory of its new members. This declaration implies, however, that nuclear weapons might be deployed here in a conflict situation. Earlier, Hungarian society had no knowledge of such ideas.

Nagy said it was a delusion to think that NATO membership means security guarantees for us.

"Of course, joining NATO would strengthen our security and, perhaps, it might also provide guarantees against a Russian attack, for example, something that cannot be imagined at the moment, but it would hardly provide absolute guarantees in the case of a possible conflict with any of our neighbors. In other words, Hungary would not receive precisely those things for which the whole idea of joining NATO arose in the first place, namely actual security guarantees," he pointed out.

There are also rather different evaluations on the size of the army that Hungary needs. Some experts say that, as a NATO member, the army could also be considerably smaller, as small as 35,000 men. However, our geographic proximity to crisis regions and our status as a "border state" does not justify these numbers, Nagy said.

He then pointed out that, although NATO has gone so far as to declare its intention to expand, an increasing number of signs show that, for the time being, NATO does not intend to do anything more. Each promising statement is followed by a delaying statement. Nor should we forget that, despite all its positive and advancing features, the "Partnership for Peace" program is some sort of "substitute action." It serves both to delay actual new members and to prepare for new members.

Aware of all this, we must decide on the major, most urgent, and most expedient tasks, Nagy pointed out.

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In his view, first of all, we must not give up our strategic goal of joining NATO. However, we must stress that our intention to join this organization is a means, rather that an end in itself, a means of strengthening our security. It is at least as important to declare that our goal of joining NATO is one of the elements of our broader integration efforts, and not even the most fundamental element. It must be made absolutely clear that our future NATO membership is not directed against anyone and does not mean any hindering of other countries' desires to join this organization. We must concentrate much less on meeting the concrete requirements and deadlines, and much more on making the Hungarian Army gradually suitable for a possible alliance. Within the system of integration, it is worth shifting the balance and concentrating our efforts toward the EU because, on one hand, EU membership is at least as important to Hungary as NATO membership; on the other hand, so far, EU membership has led to much less opposition from the Russian leadership than the intention to expand NATO, Nagy said in conclusion.

State Secretary Criticizes Slovak Language Law

AU0807134495 Budapest NEPSZABADSAG in Hungarian 7 Jul 95 pp 1, 3

[Article by Miklos Ritecz: "Hungarian With Hungarian in Slovak?—Csaba Tabajdi on the Draft Language Law"]

[FBIS Translated Text] The draft law on the Slovak state language gives cause for concern, Csaba Tabajdi, political state secretary at the Prime Minister's Office, told NEPSZABADSAG. He confirmed that some elements of the draft clearly contradict the national minority section of the Hungarian-Slovak basic treaty and the international documents included in the treaty.

At the same time, Tabajdi emphasized that this is only a draft and some caution is needed when assessing the document. It will only be possible to form a more accurate view on the situation after the Bratislava parliament's debate.

To mention a concrete example of the contradictions, Tabajdi said that, according to one of the points in article 15 of the basic treaty, people belonging to a national minority have the right, individually or together with members of their group, to use their mother tongue freely in private life and public affairs, and they also have the right to use their mother tongue in their contacts with authorities. At the same time, the draft language law approved by the Slovak Government declares that the employees of state organs and local self-government bodies perform all their official duties using the state language. In practice, this can, for example, mean that an ethnic Hungarian postman must ask an, also ethnic Hungarian, adressee to sign a receipt using Slovak .

It is also a problem, Tabajdi continued, that the new draft state language law invalidates the 1990 language law. The latter also had positive elements. In official business, it allowed the use of minority languages in areas where the proportion of the given minority reached 20 percent of the population. Well, the new Slovak law does not define this. It is true that, avoiding the problem, it states at the very beginning that it does not deal with the use of church service languages or the languages of the national minorities.

According to Tabajdi, a vacuum situation can emerge with the evasion of the national minority language and the invalidation of the 1990 law at the same time. It is also important that the former law made it possible for state administration organs to assess the way they wished to use a minority language in official contacts. According to the current version, this will not be possible.

Tabajdi believes that the draft narrows the national minorities' rights compared to the current legal situation and practice. It is also a problem in itself that it does not clarify the legal protection of the national minority languages, which means that it is impossible to know how far the aforementioned vacuum situation extends. Together with this, it is unclear, he said, whether the Bratislava government had approved the basic principles, which were published a few days ago by the Education Ministry, or the draft law itself, which actually has already been distributed by Slovakia in the Council of Europe. The text of the draft law does not exclude the possibility that certain political forces will try to put it into force as early as September through an accelerated procedure. With this, they would make Budapest confront a situation before Bratislava's ratification of the basic treaty.

According to the Hungarian side's stance, the sides are obliged to observe an already signed basic treaty, even if one side has not yet ratified it. It is contrary to international practice to pass laws in Slovakia that do not conform to the spirit of a signed agreement, Tabajdi said.

NEPSZABADSAG has learned from other sources that the Hungarian prime minister will raise the latest Bratislava measures, especially the introduction of alternative education, at the Slovak-Hungarian-Austrian summit in Rust [in Austria] on 7 July.

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Minister Sends Letter to Romania on Education Law

LD1007192695 Budapest Duna TV in Hungarian 1600 GMT 10 Jul 95

[FBIS Translated Text] On behalf of the Hungarian Government, Gabor Fodor, minister of culture and education, has protested against the antiminority paragraphs of the new Romanian education law. Gabor Fodor addressed his letter to Liviu Maior, his Romanian counterpart.

[Tibor Bogdan report by telephone] Romanian Education Minister Liviu Maior thinks Gabor Fodor's letter is strange. In his letter Fodor asked him to have the restrictive measures of the Romanian education law amended. The letter was presented to the Romanian minister by Ernoe Rudas, Hungary's ambassador to Bucharest, in a two-hour talk. During the talks the Romanian minister did not make a secret of the fact that the Senate's original variant of the bill included even more severe measures, which were relaxed as a result of his intervention. This was an indirect admission of the document's antiminority content, to which Fodor called attention by writing that the law would eventually lead to the elimination of the minorities' mother tongue. Maior denied all of this, without giving a substantial answer to Fodor's remarks, Duna TV has been informed by Hungary's ambassador to Bucharest.

Horn Requests Greater Support From HSP Heads

LD1007122295 Budapest Kossuth Radio Network in Hungarian 1000 GMT 10 Jul 95

[FBIS Translated Excerpt] Prime Minister Gyula Horn, [Hungarian Socialist Party [HSP] chairman] expects greater support from the national executive and the presidium of the HSP. The prime minister said this in an interview with "Sunrise" [TV program] today and repeated it at a meeting of the HSP parliamentary group of deputies this morning. He also took exception to the fact that while Socialist politicians agreed on basic issues the experts of the party would immediately turn against the government when specific solutions to these issues were being proposed. Kata Nagy reports:

[Nagy] Gyula Horn, prime minister and Hungarian Socialist Party chairman gave an approximately 20-minute-long situation assessment at the emergency meeting of the HSP group of parliamentary deputies this morning. The prime minister confirmed to the deputies that he wanted to create a deputy prime ministerial post in order to have a specific government member who would deal with Hungary's integration into [West] Europe and the coordination of the government's economic measures. He said that he wanted to coordinate his ideas-once they were clearly formulated—with his coalition partner and with the HSP deputies too. [passage omitted]

SZDSZ Head on Economic 'Restriction Measures'

AU0707170395 Budapest MAGYAR NEMZET in Hungarian 7 Jul 95 pp 1, 5

[Correspondent's report on news conference by Ivan Peto, chairman of the Alliance of Free Democrats, in Salgotarjan on 6 July: "The Lawn Mower System Cannot Continue in the Future"]

[FBIS Translated Text] At a news conference held in Salgotarjan at about the same time as the cabinet meeting on 6 July, Ivan Peto, chairman of the Alliance of Free Democrats [SZDSZ] said that the SZDSZ position only differs from that of their coalition partner and that of [Finance Minister] Lajos Bokros regarding the technical solutions, but the SZDSZ agrees that the restriction measures must be carried out in order to preserve Hungary's solvency. Peto refused to engage in forecasts regarding the expected decisions of the cabinet because there was no preliminary coordination on finding compensation for the budget deficit of about 40 billion forints deriving from the recent decision of the Constitutional Court. It is precisely the cabinet meeting that must debate the various positions. He admitted that there were talks between the finance minister and the SZDSZ experts, and both sides expressed their positions; however, only the cabinet meeting will show the extent to which these positions can be coordinated.

Ivan Peto pointed out that next year's budget deficit cannot exceed 3 to 3.5 percent of the GDP. He admitted that the Bokros package was necessary because of the given situation, but a budget prepared with "lawn mower" methods cannot continue in the future. Peto announced that the SZDSZ had worked out a possible alternative of increasing the social security incomes, the essence of which is that the health-care would set up a fixed fare for employees to replace the current percentage fees, so the employers would no longer have to curb wages and find other channels to ensure their employees' income. This, however, requires the separation of the two social security systems. He added that every reform step costs money and it does not lead to an increase in income overnight.

Answering questions, Peto said that the advance of the Smallholders' Party [FKGP] as forecast by opinion polls is only as noteworthy as the 40 percent achieved by the Federation of Young Democrats [FIDESZ] between 1991 and 1993; all this can change considerably during elections. According to Peto, mostly people who voted in favor of the Hungarian Socialist Party [MSZP] on

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the basis of illusion had shifted to [FKGP Chairman] Jozsef Torgyan, who only makes use of the mood of general dissatisfaction in his political tricks, including the setting up of the shadow cabinet. In connection with Workers' Party Chairman Gyula Thurmer's statement, according to which he would gladly meet with [Prime Minister] Gyula Horn in Salgotarjan (a town led by an MSZP-Workers' Party coalition) in order to discuss cooperation between the two parties, Peto said that this is not the first such idea of Thurmer, but one should also take into consideration the fact that not even the Socialists, who enjoy a considerable majority in parliament, alone, would be able to accept such unpleasant measures as the coalition was forced to take. Besides, he does not know any MSZP parliament member who supports this idea.

Peto confirmed that the SZDSZ does not want to purchase dailies in Nograd or in any other part of the country, partly because they do not have money for that and partly because this would contradict their ideals. Even if there are SZDSZ supporters among its journalists, BESZELO is still an independent weekly.

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UNPROFOR Gives 'Assurances' on Srebrenica

AU1007191695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 10 Jul 95

[Report by Mehmedalija Sisic on a Bosnia-Herzegovina Government session in Sarajevo on 10 July—recorded]

[FBIS Translated Excerpt] [Sisic] At the beginning of the session, chaired by Prime Minister Haris Silajdzic, Minister Hasan Muratovic, chairman of the Committee for Relations with the United Nations, informed the government about the current situation in Srebrenica.

[Muratovic] I would like to inform you very briefly about our meeting this morning with UNPROFOR [UN Protection Force], with Mr. Gobillard, who is at the moment standing in for General Smith. People from our General Staff were also present. We agreed that the situation there was calming down thanks to the fact that UNPROFOR had erected a blockade and threatened the Serbs with air strikes if they continued to advance.

The question is why UNPROFOR did not do this two days earlier, since two days before the attack I had a meeting with the same people and asked them to [word indistinct] the situation in Srebrenica, which I had received on 8 July, and which they had tried to present as perfectly normal. I had particularly warned them about [word indistinct]. The report said that most of the refugees had returned to (Slapovici) after the first observation checkpoint had been taken. They told me that their procedure was very slow, and so on, and generally they could have prevented this had they reacted in time.

We have received very firm assurances from their side that they will continue to defend the protected zone with the threat of air strikes. We demanded that the refugees be returned to (Slapovici) and that the Serbs pull back to their initial positions. They also said that they considered that the international community should force them to do this. We will see what happens next, but I am convinced that the Serb attack has been halted only temporarily. [passage omitted]

UN Confirms NATO Operation

AU1107133095 Paris AFP in English 1320 GMT 11 Jul 95

[FBIS Transcribed Text] Zagreb, July 11 (AFP)—An operation by NATO warplanes was underway Tuesday over the Moslem enclave of Srebrenica after UN peacekeepers were attacked by Bosnian Serb forces, UN officials here said.

It was not clear what action the planes were engaged in.

Silajdzic: NATO 'Too Late'

AU1107133895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 11 Jul 95

[Statement by Haris Silajdzic, prime minister of the Federation and Republic of Bosnia-Herzegovina, for Radio Bosnia-Herzegovina in Sarajevo on 11 July—recorded]

[FBIS Translated Text] We made our first contact with Srebrenica at 0620 [0420 GMT] today; I can say that my collocutor [words indistinct] Fahrudin was very bitter that nothing was being done. I understand him, and I believe I am right. A lull in the shelling followed, however, later, as had been announced by many sources, a new attack was launched. An hour ago, I spoke to Osman Suljic, the municipal president, who said that he would not be calling any more, that the situation was critical, and that it is very difficult to organize any kind of defense.

Therefore, I will comment on this, if anyone is interested and if it is at all important in a situation like this. I have already told all the international news agencies that the betrayal has been complete; I now believe that there is an agreement between the United Nations and the Serb terrorists [words indistinct]. They are now saying that the planes are in the air, that it is time for them to do something. As far as I am concerned, it is now too late to do anything. Some minutes ago I spoke to [changes thought], I was visited by the U.S. charge d'affaires here, and I told him the following: He asked me what my message was: I asked him how, after this, his administration could go on defending the maintenance of the arms embargo. You said that if the embargo were lifted, the enclaves would be endangered, yet you see, they are in danger without the embargo being lifted. What is your next argument, and will you have arguments when they (?kill) the last one of us left here. This is, therefore, the situation we are addressing here. I have been told that the planes are in the air, that they are doing something. I do not know what they will do. I can tell you, it is my duty to convey to you what I have been told this morning by Srebrenica: We no longer believe in anything, and I believe that they are absolutely right.

France Offers Helicopters To Help Dutch

AU1007152495 Paris AFP in English 1401 GMT 10 Jul 95

[FBIS Transcribed Text] Paris, July 10 (AFP)—France has offered its attack helicopters in the United Nations Rapid Reaction Force (RRF) to come to the aid if necessary of Dutch peacekeepers being held by Serb forces in eastern Bosnia, a military official said here.

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A face-off between Bosnian Serb forces and the Dutch force in the Moslem enclave of Srebrenica could constitute the first test for the RRF, the official said.

Further on French Offer

AU1007165695 Paris AFP in English 1609 GMT 10 Jul 95

[Report by Jacques Charmelot]

[FBIS Transcribed Text] Paris, July 10 (AFP)—France has offered its attack helicopters in the Rapid Reaction Force [RRF] to come to the aid if necessary of Dutch peacekeepers facing Serb forces in eastern Bosnia, a military official said here Monday.

A face-off between Bosnian Serb forces and the Dutch force in the Moslem enclave of Srebrenica could constitute the first test for the RRF, the official said. "All the resources of the RRF are at the disposal" of the UN, the official said. "We have offered French helicopters."

But another official in the French Defence Ministry said the confrontation in Srebrenica had come "a little early" since the RRF was not totally operational. He added that use of the available RRF forces was left to "the tactical appreciation" of UN Protection Force (UNPROFOR) officers.

The French officials said that for the moment, UNPROFOR commander General Bernard Janvier had given orders to deploy the Dutch battalion in the RRF with orders to fire on Bosnian Serb tanks if they tried to advance. The RRF helicopters might be used to back up any operation against the Serbian tanks, the officials said.

Thirty Dutch peacekeepers were captured at the weekend near Srebrenica by Bosnian Serbs.

UNPROFOR warned the Serbs Sunday that if they attacked a "blocking position" established by the Dutch to the south of Srebrenica, they would face NATO air strikes. The Dutch troops are the last line of defence for Srebrenica where 30,000 people are jammed into the town which lies in a narrow valley.

One of the missions of the 4,500-strong multinational RRF is to protect UN peacekeepers and to offer an alternative to NATO air strikes. The force, set up in Paris last month to counter Serb hostage-taking, is composed mainly of French and British troops, with small Dutch, German, and Belgian contingents. The 2,000-strong French contingent in the RRF has been deployed, but the British contingent will not be fully in place before July 16, when peacekeepers based in central Bosnia are due to be reassigned to the new force. French General Andre Soubirou is due to take command of the RRF on the same day.

French and British combat helicopters assigned to the RRF are not yet all in place. Some French Gazelle helicopters are aboard the aircraft carrier Foch in the Adriatic and others are on an air base at Split in Croatia. The RRF is provisionally based on the Tomislavgrad plateau, in southern Bosnia-Herzegovina.

Meanwhile the French medical charity Medecins sans Frontieres said here that Srebrenica's 100-bed hospital was "completely saturated" and that wounded people continued to arrive there as bombardments grew closer. The charity said heavy bombardment of the enclave continued on Monday, hitting the town centre. The bombardment was "indiscriminate, regularly targeting civilian buildings." About 50 people had been wounded during the past four days and 10 of them had died. Most of the injured were suffering from shrapnel wounds, the charity said.

Dutch Confirm French Offer

AU1007171795 Paris AFP in English 1653 GMT 10 Jul 95

[FBIS Transcribed Text] The Hague, July 10 (AFP)—The Dutch Defence Ministry confirmed Monday [10 July] that France among others had offered to help the Dutch troops in northeast Bosnia. The offer came as separatist Serb forces moved against the Moslem-held enclave of Srebrenica, where more than 400 Dutch UN peacekeepers are stationed.

They are the last line of defence for the town where 30,000 people are crammed into the town, situated in a narrow valley and declared a UN-protected safe area. At the request of the UN, Dutch forces Sunday established a blocking line 1.5 kilometres (a mile) south of the enclave to stop the advance of the Bosnian Serbs, he added.

The minister's spokesman Bert Kreemers told AFP: "We very much appreciate the offers these countries have made. We will call on that support should the need arise and the advice of our battalion commander will be a major factor in any decision." He would not say how many soldiers were at the blocking line or what equipment they were using.

Thirty Dutch soldiers were captured at the weekend and are now "guests" of their captors, according to Bosnian Serb officials. Milan Gvero, the Serbs' deputy military leader, said the peacekeepers were "well housed and are safe." UN spokesman in Sarajevo Alexander Ivanko said the men were "detained" but were not considered hostages as no demands for their release had been made.

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The Dutch batallion in Srebrenica has about 60 U.S.-made YPR-765 armoured cars, mostly equipped with heavy machine guns, some with missiles.

The Hague is still refusing to see the confrontation between their peacekeepers and the advancing Bosnian Serbs as a first test for the Rapid Reaction Force (RRF) currently being mobilised by Britain and France. Reemers said: "The Rapid Reaction Force still doesn't exist and has no place in the current discussions. The situation at Srebrenica confirms the usefulness and necessity of the RRF. For the rest, you can speculate and imagine all you want, but that doesn't get us any further forward."

But UNPROFOR warned the Serbs Sunday that if they attacked the Dutch position they would face NATO air strikes.

UNHCR: Srebrenica 'Massive Concentration Camp'

AU1107120895 Paris AFP in English
1144 GMT 11 Jul 95

[FBIS Transcribed Excerpt] Geneva, July 11 (AFP)—Dutch UN peackeeping troops are set to remain in Srebrenica despite a Serb ultimatum for them to leave, a UN spokesman said Tuesday. Bosnian Serb forces threatening the UN protected enclave in eastern Bosnia ordered the Dutch to withdraw within 48 hours without their weapons. [passage omitted]

According to the UN High Commission for Refugees [UNHCR] the UN protected enclave of Srebrenica is gradually becoming a concentration camp, with around 30,000 civilians crammed into the town. "Srebrenica has been described in the past as a massive refugee camp. I think you could now call it a massive concentration camp. These people are being concentrated into even smaller areas," said UNHCR spokesman Ron Redmond.

Artillery bombardments on the enclave ended early Tuesday morning but the humanitarian situation remained grave, said Redmond. From Friday, meals will not be able to be distributed unless fresh supplies arrive. Foodstocks which had been stored in a factory had been raided, he added. Security on the access routes into Srebrenica and Gorazde remained unstable, said Redmond. "We need a regular humanitarian corridor to Srebrenica if we want to keep these people alive," he added.

UN spokesman Tom Netter said air strikes to support Dutch UN peacekeepers and alleviate threats to the beleaguered town remained a possibility but would only be a defensive move. "I don't think that there's been any discussion at the moment on the use of offensive air strikes," he said. Netter said Dutch UN peacekeepers in Srebrenica fired shots at Serb forces and seemed to have called for aerial support after hearing the approach of Serb tanks. However they later cancelled the request, said Netter.

He said 30 Dutch troops being held by the Serbs were not considered to be hostages. Serb forces have in the past taken UN peacekeepers hostage to stop NATO air strikes.

'Hopelessly Overcrowded'

AU1007124895 Paris AFP in English
1231 GMT 10 Jul 95

[Report by Adrian Brown]

[FBIS Transcribed Excerpt] Sarajevo, July 10 (AFP)—Bosnian Serbs attacked two UN safe areas in eastern Bosnia on Monday in defiance of a UN call to cease its attacks on the Srebrenica enclave or face possible NATO air strikes, UN officials said. [passage omitted]

There were no UN casualties after some mortar rounds exploded close to a UN compound in Zepa Monday morning. Ukrainian peacekeepers in this enclave were also attacked on Sunday by Serb "heavy weapon rounds," UN spokesmen said.

"The BSA (Bosnian Serb Army) are now actively engaging two UN-designated Safe Areas in gross violation of Security Council Resolutions," UN spokesman Alexander Ivanko told reporters on Monday. Ivanko said the attack was the most serious to affect the eastern enclaves. "It is a very escalatory step by the Bosnian Serbs against the populations of the two enclaves," he said.

However, the peacekeepers privately admit there is little UN soldiers in the Srebrenica enclave can do to deter a Serb attack if the they choose to ignore a UN ultimatum delivered on Sunday evening. This warned the Bosnian Serbs that if they attack a "blocking position" established by Dutch UN troops to the south of Srebrenica town, they would face NATO war planes. [passage omitted] Armed only with light weapons, heavy machineguns, and antiarmor weaponry, the Dutch UN soldiers present a "fairly thin line of defence," Coward said.

"The UN is trying to do its best but this once again proves that the whole Safe Areas concept was never fully developed. We never got the troops to enforce the Safe Areas," a UN official said anonymously.

UN aid official Kris Janowski said conditions in Srebrenica were "hopelessly overcrowded." The prewar population of the town was 4,000. "It is very difficult to get food and water because of the shelling," he said. Refugees who fled fighting in the south have been put

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up in school buildings in the town, Janowski said. [passage omitted]

Government forces in the enclave are only lightly armed and would offer little resistance to a Serb attack, Coward said. Although they have some heavy weapons, they have remained under UN control within the town, he added. [passage omitted]

The UN threat of air strikes applies only to a direct attack on the Dutch defensive position blocking the main road into Srebrenica, Coward explained. He said the warning was narrowly defined because "it was actually acheivable. It was realistic. Wider demands and warnings tend not be heeded."

However, if the BSA continues "sustained or systematic attacks against the Safe Area of the town of Srebrenica it will lead us to bring into consideration the option of using NATO airpower in this instance as well," Coward said.

UN officials continued to demand the release of 30 (UN corrected figure) Dutch peacekeepers taken by the Serbs over the weekend as they moved into the pocket. Fifteen Dutch peacekeepers are in a Serb-held town north of the enclave. The rest are being held in a nearby mine to the south. "We have radio contact with all of them. We understand they are being reasonably well treated and are in good heart," Coward said.

Ivanko said the men were "detained" and were not considered hostages as no demands for their release had been made. Nearly 400 peacekeepers were seized by the Bosnian Serbs in May in retaliation for NATO air strikes. They were released within weeks. Ivanko said the acting commander of UN troops in Bosnia had told the Bosnian Serbs that the detention of the Dutch soldiers "will not in any way affect the decision making process" regarding NATO air action.

The crisis has heightened tensions between peacekeepers in Srebrenica and local government forces. A Dutch APC [armoured personnel carrier] was attacked with small arms and grenades on Monday morning by government troops as it drove through the town. Ivanko condemned the attack saying it was "incomprehensible to the peacekeepers who are trying to protect the population of Srebrenica that they are being targetted."

'Extremely Tense'

AU1107130795 Paris AFP in English 1234 GMT 11 Jul 95

[Report by Adrian Brown]

[FBIS Transcribed Text] Sarajevo, July 11 (AFP)—Tension mounted in and around the enclave of Srebrenica on Tuesday after Serb troops, who are demanding UN troops withdraw within 48 hours, resumed shelling of the UN-declared safe area, United Nations officials said.

UN officials described the situation as being "extremely tense" the morning after a two-hour gun battle between Dutch peacekeepers and Serb troops.

Some 30,000 people are hemmed inside the town, surrounded by Serb tanks and artillery. Serb forces resumed shelling Tuesday morning and UN peacekeeping posts to the north of the town were attacked with mortar and heavy machine gun fire, a UN spokesman said.

Fears of a new Serbs assault on the Dutch peacekeepers also were heightened when UN observers in the enclave reported Serb troop movement to the south of Srebrenica. "These are early reports but there are movements of Serb troops," a UN official said.

Earlier officials said they believed that another UN base in Srebrenica town was also under attack. They gave no word on casualties.

In Zagreb, UN spokesman Christopher Gunness said that Yasushi Akashi, the special UN envoy, had "rejected any ultimatum" from the Serbs, who want the peacekeepers to quit the enclave by Thursday, along with its tens of thousands of residents.

Late on Monday, between 50 and 100 Serb soldiers attacked Srebrenica with support from tanks and mobile antiaircraft guns, Lieutenant Colonel Gary Coward said.

Dutch peacekeepers manning a roadblock to the south of the town first fired warning shots at the advancing troops and then engaged the Serb forces for about two hours. There were no reports of UN casualties.

The United Nations earlier threatened the Serbs with NATO airstrikes if they attacked UN checkpoints. The use of airpower was considered but finally rejected as too risky because of the failing light and close quarters of the combatting troops, Coward said. "A night attack from the air is very, very difficult and the dangers are rather great," he said, adding: "If the situation had deteriorated further the risks might not have outweighed the possible gains."

As it was the Serb attack "apparently stalled at 2200 (2000 GMT)," the spokesman said. Coward could not say if the assault was a serious attempt to take the town. "Whether they failed to press home their attack because they were surprised that the Dutch troops...returned fire or because it was for political or psychological effect, I don't know," he said.

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The continued presence of the Serb forces a few hundred meters (yards) from the town however, UN officials said, was "a threat." The officials would not say how the Serbs will be "encouraged or cajoled" to withdraw as the UN has demanded.

Attempts by two UN reconnaisance patrols to establish how far the Serb have advnaced on the town attracted "harassing" gun fire from the Bosnian Serb Army (BSA), Coward said, adding that the patrol returned fire and then withdrew.

The Bosnian Serb Army commander General Ratko Mladic said the Bosnian Government soldiers had abused a 1993 UN agreement declaring the Srebrenica enclave to be demilitarised following an earlier attempt by the Serbs to destroy the enclave. Mladic claimed some 100 Serb civilians had been killed by the Bosnian army since the agreement was signed. UN officials could not confirm this claim but said there was "some substance to the claim" regarding demilitarisation.

The demand by a local Serb army commander that Dutch peacekeepers leave the enclave without their weapons within two days starting 6 a.m. (0400 GMT) Tuesday was "completely unacceptable and will not be adhered to," UN spokesman Alexander Ivanko said.

Local civilians could leave "unharmed" but without their weapons, the Serb army commander informed the town via radio communications with some 30 Dutch peacekeepers held by the Serbs in a nearby town.

Ivanko called for these men to be released. The Serbs have described the peackeepers seized over the weekend as their forces advanced into the enclave as "guests." "Guests are not held against their will," Ivanko said.

In conversations with a BSA commander, General Zdravko Tolimir, the overall UN military chief General Bernard Janvier was told that orders to cease attacks on the enclave would be issued. "Time will show if this is really the case or if this is yet another empty promise," Ivanko said.

Srebrenica Mayor Calls Situation 'Very Hard'

AU1007152395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 10 Jul 95

[Interview with Srebrenica Mayor Hajrudin Avdic by Sakib Smajlovic in Srebrenica on 10 July—recorded]

[FBIS Translated Excerpt] [Smajlovic] Mr. Avdic, since the aggressor has now started to attack the protected zone of Srebrenica, can you tell us what is the current security situation in this area?

[Avdic] Srebrenica is experiencing the worst days in its history. I think that everyone knows that Srebrenica has been declared a protection zone and that it has been demilitarized. The weapons have been handed to UNPROFOR [UN Protection Force] for safekeeping. Therefore, the international community has taken upon itself the responsibility to protect the population from the Serbian-Chetnik aggression and genocide, and to provide the people with medicine, food, clothing, and all the other basic essentials. However, the people have been starving for over three years now; there is no water, no electricity, no medicine, food, clothing. The people are literally starving. Can you imagine a demilitarized zone, a protected zone that is being starved for over three years, that is being tortured [words indistinct], and in the end the international community allows the Serbian-Chetnik aggressors to enter [word indistinct] Srebrenica, enter the demilitarized zone, and finally move in on the town directly.

The current situation is very hard. The tanks are moving from Zeleni Jadar toward Srebrenica. The village of (?Urdulici) has been burned, some 100 houses there have been burned. The town is being pounded with everything you care to name. There is fighting in the villages of Potocari and Suceska. UNPROFOR has withdrawn, it has withdrawn from Zuti Most toward (?Kuvateri). It has withdrawn from Zeleni Jadar, which has been captured. It has withdrawn from Biljeg, and therefore if the international community is offering this kind of protection to these places, then we do not need such an international community, nor does anyone else in the world.

At the moment the tanks are moving in on Srebrenica, and if the international community does not intervene, these people and this town will suffer a catastrophe. I think that the international community has to intervene most urgently. The international Rapid Reaction Force has to react here [words indistinct].

[Smajlovic] Are the fighters of our army putting up resistance?

[Avdic] This zone has been demilitarized. We have handed in our weapons. However, a nation that is threatened with massacre has to defend itself with all means available, including bare hands. [passage omitted]

If the international community does not react, I cannot guarantee their safety in this area. If we are massacred, I do not think that they will get away lightly.

[Smajlovic] What activities has the Srebrenica leadership undertaken to prevent a catastrophe?

[Avdic] To prevent a catastrophe everyone halfway able-bodied has come out face the tanks [words indistinct], and if the international community does not react,

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UNPROFOR and this Dutch battalion in Srebrenica will be most likely blocked.

Tuzla Officials Issue Ultimatum to UNPROFOR

AU1007153695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 10 Jul 95

[FBIS Translated Text] Last night the representatives of the Srebrenica municipality, the Tuzla-Podrinje Canton, and the commanders of the Bosnia-Herzegovina Army 2d Corps held a meeting with UNPROFOR [UN Protection Force] representatives, at which they demanded urgent UN action for the salvation of the Srebrenica civilians.

An ultimatum of four points was handed to the UNPROFOR command for Sector Northeast, demanding from UNPROFOR that it halt the Chetnik attacks, return all the UN forces to the control checkpoints around the protected zone of Srebrenica, effect the withdrawal of the Chetnik forces outside the demilitarized zone of Srebrenica, and, unless these demands are met, call for air strikes against the aggressor's positions.

If the United Nations does not meet these demands, it was announced at last night's meeting, the women and children of Podrinje that are currently in Tuzla and the surrounding municipalities will block all the UN bases in the Tuzla region.

The UNPROFOR representatives said that they would consider all these demands, and then inform the participants in the meeting of their decision. They were very surprised by the announcement that their bases might be blocked since, according to them, they bear no responsibility for the tragedy of Srebrenica.

Association Threaens 'To Block' UN Activities

AU1007154895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 10 Jul 95

[FBIS Translated Text] The Association of Refugees and Displaced Persons of Bosnia-Herzegovina has sent a letter to Bosnia-Herzegovina Presidency President Alija Izetbegovic, and Republic and Federation Prime Minister Haris Silajdzic, which says:

Unable to help our people in Srebrenica, and deeply disappointed with the United Nations and UNPROFOR [UN Protection Force], we would like to inform you about the following:

We fully support your efforts to save the people of Srebrenica. If the United Nations and UNPROFOR do not launch an immediate action to protect Srebrenica, we will be forced to call on the expelled million people who are very well aware of the UN policy and its support for the crimes of the Serb terrorists, to block all UNPROFOR activities in the Republic of Bosnia-Herzegovina. The blockade will affect all the units and commands of the UN forces. We know that the soldiers of the United Nations here in Bosnia-Herzegovina, and the citizens of the states that are permanent members of the Security Council do not support the crimes committed by the Serb terrorists against the Bosniak and other nations. It appears that these are supported by their governments and the UN officials, and it would be better for them to explain their behavior to their own people.

Silajdzic: Many Willing To Defend Bosnia

LD1007190095 Zagreb HTV Television in Serbo-Croatian 1730 GMT 10 Jul 95

[FBIS Translated Text] [Announcer] Shells that were landing in the immediate vicinity of the Bosnia-Herzegovina Presidency in Sarajevo prevented Bosnian Prime Minister Haris Silajdzic from leaving his office and reaching the Sarajevo TV building, from where he was going to talk to us tonight. Nevertheless, Mr. Silajdzic managed to contact us from his office over the phone. Good evening, Mr. Silajdzic.

[Silajdzic] Good evening.

[Announcer] Is it true that Serb tanks have entered Srebrenica and that pitched battles are going on?

[Silajdzic] I have no such reports yet.

[Announcer] What reports do you have? What is the situation like around Srebrenica?

[Silajdzic] It is being shelled from a certain distance. What is in front of them [not further identified] are armored carriers of the UN Dutch contingent. There is also a UN ultimatum, as you know, [words indistinct].

[Announcer] What is the situation like in Zepa, that other zone under UNPROFOR [UN Protection Force] protection, which was also attacked by the Serbs this morning?

[Silajdzic] The situation there is grave as well. It is not just a matter of attacks, as there is a very grave humanitarian situation. Yesterday, 4,000 people were driven out of the village of Papovici, south of Srebrenica. They have all found refuge in Srebrenica, which is already overpopulated. Thus, where there is room for one person there are actually six to seven. The food situation is extremely grave. For example, there has been no baby food for quite a while.

[Announcer] In your statement to CNN yesterday you said that if the Serb attacks on Srebrenica continue you will call for military support in personnel from friendly countries. Have you done that?

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[Silajdzic] We said we would consider such a possibility unless attacks cease, not just on Srebrenica but on the protected zones, including Bihac, Zepa, Gorazde, and Sarajevo. There is a large number of those who would like to come and defend Bosnia from fascism. Obviously, Serb terrorism and conquest has been given a green light by the West. At this very moment this green light is very intense as the Serbs attack the zones, say Srebrenica, a demilitarized zone, that is, it has been disarmed by the United Nations and guaranteed safety by the United Nations. And now you can see what is happening.

[Announcer] Is this last development, as a whole, the last straw that broke the camel's back? Is the quick withdrawal of UNPROFOR forces from Bosnia-Herzegovina inevitable? What about negotiations with the Serbs? Or will everything be resolved, in fact, militarily, that is, on the ground?

[Silajdzic] As far as the legal authorities of Bosnia-Herzegovina are concerned, including of course the parliament, they have accepted the Contact Group's plan. Unfortunately, it seems to me that the Contact Group itself has not 100 percent accepted its own plan. That is the problem.

As far as we are concerned, the plan we had on the table is signed, so there are no negotiations with the Serb terrorists for as long as they fail to accept this plan unconditionally, just as we accepted it unconditionally. On the other hand, we ought to defend ourselves. We must defend ourselves by using all the means available.

[Announcer] Thank you, Mr. Silajdzic for your contribution, albeit over the telephone.

Serbs Tell Peacekeepers To Leave Srebrenica

AU1107070795 Paris AFP in English 0655 GMT 11 Jul 95

[FBIS Transcribed Text] Sarajevo, July 11 (AFP)—Bosnian Serb forces threatening the Srebrenica enclave in eastern Bosnia have told Dutch peacekeepers defending the town to leave within 48 hours as the UN warned of NATO air strikes if Serb attacks do not cease, UN officials said on Tuesday.

The demand, made by a local Serb army commander, came after peacekeepers and Serb troops backed by tanks exchanged fire at last light on Monday just outside the town.

Mladic Details Crimes by Muslims in Srebrenica

LD1107114395 Belgrade TANJUG Domestic Service in Serbo-Croatian 1043 GMT 11 Jul 95

[FBIS Translated Text] Belgrade, 11 Jul (TANJUG)—Colonel General Ratko Mladic, commander of the Serb Republic Army, sent a letter to the UNPROFOR command in Sarajevo today in which he speaks about crimes committed against Serb civilians and Blue Helmets in a recent offensive launched by the Srebrenica Muslims.

Gen. Mladic's letter is a reply to Gen. Rupert Smith's message of 9 July, in which the latter threatens NATO air strikes against the Serb Republic Army positions near the Muslim enclave of Srebrenica.

"Over the last few days, the Muslims from Srebrenica have mounted a large-scale military operation to link up with the enclave of Zepa. In the course of their operation they burned down the Serb villages of Visnjica and Banja Lucica, murdering the population," the letter from Mladic says.

"They did not even spare UNPROFOR members when realizing their treacherous intentions. Even though your forces were protecting the people, they themselves became the targets," the letter says.

"Crimes committed against the innocent civilian population provoked the action by the Serb Republic Army, which is aimed at neutralizing Muslim terrorists. Our activities are in no way directed against civilians and UNPROFOR members who are deployed in Srebrenica."

"A number of UNPROFOR members saw it for themselves, and therefore they fled to our territory following the killing of one of your soldiers by the Muslim side," Mladic says.

Noting that those Blue Helmets who fled to the Serb territory have been humanely welcomed, well accommodated, and are safe on Serb Republic territory, the commander of the Serb Republic Army gave assurances that UNPROFOR members, as far as the Serb side is concerned, will be completely safe, as before.

The letter notes that the Srebrenica enclave has not been demilitarized as provided by agreements signed on 19 April and 8 May 1993.

"The Muslims from Srebrenica have not surrendered their weapons and ammunition to UNPROFOR. Instead, they have abused the special status of the zone and the presence of UN forces to prepare and carry out terrorist raids and other military operations against the Serb population, and the territory of the Serb Republic," the letter says.

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"Since then, the Srebrenica Muslims have killed 100 and wounded more than 200 Serb civilians, and have razed a number of Serb villages in the immediate vicinity of Srebrenica, committing unprecedented massacres against the local population."

"I am convinced that your patience and a better understanding of the overall situation will be useful for peace in this region," Gen Mladic says in his letter to Rupert Smith, the UNPROFOR commander in former Bosnia-Herzegovina.

Serb General Criticizes Srebrenica as 'Propaganda'

AU1107124995 Banja Luka Srpski Radio Network in Serbo-Croatian 1700 GMT 10 Jul 95

[FBIS Translated Text] Today, Lieutenant General Milan Gvero, assistant to the commander of the Serb Republic Army General Staff, warned that the advocates of saber rattling and of prolonging the war are using Srebrenica as a trump card for their propaganda campaign and for issuing military threats to the Serbs. According to Gvero, Srebrenica is an example of flagrant violation of international law and all norms by the Muslims and their mentors.

Lt. Gen. Gvero recalled that, in 1993, the Army of the Serb Republic stopped the action for liberating Srebrenica because the international community promised the area would be demilitarized. From May 1993 until the present, the Muslims did their best to deny Srebrenica was a protected and demilitarized zone. The assistant to the commander of the Serb Republic Army General Staff emphasized that, during the time the area was supposed to be a demilitarized zone, the Muslims killed about 100 and wounded more than 200 Serbs, while demanding that the United Nations send supplies to their terrorists.

In the past couple of weeks, Muslim terrorists from Srebrenica torched the Serb village of Visnjica and massacred its inhabitants and inserted, in the wider Srebrenica area, about 250 terrorists who killed several civilians, six of whom were children, massacred our woodcutters, and kept attacking our supply vehicles outside the Srebrenica zone. They killed our policemen in Osmace. They killed six and wounded several of our soldiers in Katijevac, near Bajina Basta. Recently, they launched a large-scale military operation with the goal of joining their forces in the village of Zepa during which a UN soldier was killed, the assistant to the commander of the Serb Republic Army General Staff pointed out.

Our present combat activity is exclusively aimed at neutralizing the Muslim terrorists, not the civilians or UNPROFOR [UN Protection Force] members, Lt. Gen. Gvero emphasized, adding that, for the sake of personal safety, some UNPROFOR members went to Serb territory and now our guests are safe and in good hands.

In his message to the civilians of Srebrenica, the assistant to the commander of the Serb Republic Army General Staff said that those who wish to do so can leave the town in an organized and safe manner, and said that, on the whole, there is no reason for the media and foreigners to become involved in the Muslim war propaganda, to be used as their trump card, and to justify their terrorism.

Silajdzic Appeal for Jihad Viewed as 'Desperate'

LD1107113695 Belgrade SRNA in Serbo-Croatian 1930 GMT 10 Jul 95

[FBIS Translated Text] Sarajevo, 10 Jul (SRNA)—In a statement for Bosnian Muslim television on 9 July, Alija Izetbegovic's prime minister, Haris Silajdzic, openly called on the Islamic states to launch a jihad in former Bosnia.

Silajdzic said that Izetbegovic's government invites friendly, Islamic states to fight the Serbs. He tried to exploit the case of Srebrenica in order to intimidate the United Nations and the European Union with the possibility of Bosnian Muslims completely turning to the Islamic world for help and allowing it to play the key role in resolving the conflict in former Bosnia-Herzegovina.

It is easy to see that with this statement, Silajdzic has discarded the hypocritically built image of himself as a smooth and tactful Eurodiplomat. Suddenly, but not unexpectedly, Khomeyni's arrow was released at the UN, the EU, and the whole of Christian Europe. Silajdzic also indicated the real reason for the war in former Bosnia-Herzegovina, an attempt to create the first Islamic state in Europe, thus exposing his own hypocritical stories about a struggle for a multiethnic and civil state, stories intended exclusively for the Western public.

Therefore, it is clear that Silajdzic has lost his patience and that hypocritical sense of the importance of a diplomat's utterance, because of the undeniable fact that his and Izetbegovic's supporters have been unable to achieve anything in a military sense, despite the generous diplomatic, financial, and military support provided by Turkey, Iran, Pakistan, and Saudi Arabia, as well as the public support of Islamic lobbies in the United States and certain European states.

What else could a disciple of Khomeyni do in such a situation but to further the extremism of the Muslim el-

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ement in former Bosnia-Herzegovina with Islamic militancy, calling on the Islamic extremists from througout the world to join the defense of the first European Jamahiriyah, as Izetbegovic and his prime minister undoubtedly perceive the territory currently under their control.

Silajdzic felt powerful enough to call on Islamic Asia to have a showdown with Christian Europe in former Bosnia-Herzegovina. Naturally, he went too far and overestimated his knowledge of the current balance of power in the international community.

The Muslims had tacit Western support for their offensive against Serb Sarajevo, but they were clearly warned of the position they could find themselves in if they lost. American Vice President Al Gore also warned Silajdzic. It is clear why Izetbegovic's prime minister has lost his diplomatic tact and is now resigned to the banal aggressive attitude of an ordinary Islamic extremist who, in desperation, felt he has a duty to call on Islamic Asia to launch a war against Christian Europe.

However, it should be pointed out that the main reason for Silajdzic's desperation is the realization that the lethal blow to Izetbegovic's clerical policy will be struck by the Muslims, that it will come from within and not from without, from the Serbs. That blow will be struck by Fikret Abdic and western Bosnia.

In any case, Izetbegovic and Silajdzic are aware that the West is already reassessing its policy on the conflicts in former Yugoslavia, which has been favorable to Islamic extremism owing to short-term and very pragmatic interest in relations with the Islamic world and the American-European balancing act. However, as everything, including a war, has its time limit, Izetbegovic and Silajdzic are aware that as peace approaches their political time is running out.

Therefore, peace will defeat both Izetbegovic and Silajdzic as well as the "Islamic Declaration," and Fikret Abdic's movement will come to the fore. That explains the desperate calls for Jihad and an all-out war. Let us be frank, could the Islamic extremists, Izetbegovic and Silajdzic, really do anything useful, for anybody, in peace?

French Military Favors Open Road to Sarajevo

BR1007141895 Paris LE FIGARO in French 10 Jul 95 p 3

[Report by Eric Biegala: "The French Troops Are Ready To Open the Road to Sarajevo"]

[FBIS Translated Excerpt] [Passage omitted] The Blue Helmets have been using the Mount Igman road for approximately one month. Their security arrangement around this axis might well have to be stepped up, but for the time being the UN Protection Force favors negotiations: "At present," General Gobillard explained, "talks are under way. Carl Bildt, the European negotiator, is trying to secure a cease-fire. He has also been given the job by the EU of negotiating the transit of convoys through Serb-held territory under conditions that we find acceptable, in other words with complete freedom of movement. If he fails, we will have to secure the Mount Igman road."

The general then continued: "We will have to neutralize all those weapons that have already been located as well as all those that could fire directly or indirectly on the road within a range of 13 km." However, the six mortars positioned on Mount Igman and the rockets Sagaies will not be enough. Use will probably have to be made of the resources of the Rapid Reaction Force [RRF]. "We would need the Sagaies, missiles, and laser-guided precision weapons," Lieutenant Colonel Michel pointed out.

The leader of the French 5th Battalion believes that even the introduction to the fray of the RRF would only be a middle course. "Making this road totally secure," Lieutenant Colonel Michel said, "would require us to wage war against the Serbs. We would have to take or destroy the positions they occupy at Ilidza and Gornji Kotorac" (located on either side of Mount Igman—LE FIGARO editor's note). In other words, first sending pamphlets to the population encouraging it to evacuate the area, then calling for air or artillery support to "deal with" any potential threat within a radius of 15 to 20 km. This in turn would presuppose the use of helicopters armed with missiles.'

The officer concluded: "It would seem highly preferable to open up a road through negotiations."

Everyone agrees that the presence of the RRF on the ground is a precious asset in these negotiations. "We have not put nearly 12,000 men in this force merely to have a single-barreled rifle," Lieutenant Colonel Dubois remarked.

Carl Bildt will be submitting his conclusions to the EU on 17 July. The political leaders will then have to decide on any military action, such as that required to "secure" this road with the aim of making the Bosnian capital less isolated.

As one senior officer in Sarajevo said: "The key question is knowing whether our democracies are capable of facing up to the deaths of some of their soldiers for the sake of liberty." For their part, the Blue Helmets in Sarajevo appear prepared to do so.

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Serbs Accuse UN of Staging Crisis as Excuse

LD1007205595 Belgrade SRNA in Serbo-Croatian 1853 GMT 10 Jul 95

[FBIS Translated Text] Sarajevo, 10 Jul (SRNA)—The UNHCR [UN High Commissioner for Refugees] and UNPROFOR [UN Protection Force] convoys heading for and coming from Sarajevo that have obtained permission from the military and state leadership to cross the Serb Republic have not departed yet, we have learned from the information service of the General Staff of the Army of the Serb Republic.

The permits were valid for 8 and 9 July, when two convoys should have left for Metkovic, Sarajevo, and Rajlovac, while another convoy should have left Sarajevo for Kiseljak.

In all probability this is an attempt to create artificially an atmosphere of siege around Sarajevo, thus providing an excuse to hint at the use of force for an alleged Serb blockade of humanitarian supplies.

The General Staff cautions that the ultimate aim of this policy is to link Muslim units from the part of Sarajevo under temporary Muslim occupation with their units in the territory of central Bosnia.

"The attempt to create a grave humanitarian situation could also indicate that reasons are being sought for an excuse to use the Rapid Reaction Force in order to take control by force of the road over Mt. Igman and Sarajevo airport," the information service of the General Staff says in today's statement.

Gen Spegelj on Importance of Posavina

95BA0275C Split BIH EKSKLUZIV in Serbo-Croatian 16 Jun 95 p 3

[Article by General Martin Spegelj: "The War Ends With the Corridor"]

[FBIS Translated Text] When the aggressor concentrates forces in Bosanska Posavina [the Sava basin in Bosnia], he has to bring them from Serbia or from other areas of Bosnia-Herzegovina. Consequently, the enemy is condemned to abandon one area in order to defend another. From the military point of view, that is the first crack in the idea of creating a "Greater Serbia." Accordingly, the final operations of this war, which the Serbian aggressor is certainly losing, will be conducted in Bosanska Posavina and certain parts of Croatia.

Bosnia-Herzegovina and Croatia, in their internationally recognized borders, actually constitute a military-strategic entity. I do not mean one state, but rather their unity in terms of military strategy. It is difficult to divide that entity on any basis—ethnic, economic, historical, or for any other reason. Actually, it is impossible to divide it.

In that geographic area, there are several very important strategic routes, on Croatian and Bosnia-Herzegovina territory. These are the Drava basin strategic route, northwest or southeast (the Drava basin highway), the Sava basin route, which goes in the same direction (Bosanska Posavina), and the coastal one. Among them there are a whole series of small, tactical operational routes, which begin in one area and end in another.

I would like to dwell on this Sava basin route. It is second in importance, immediately after the Drava basin route. If we are talking about Bosanska Posavina, however, it is the right bank of the Sava, a zone that encompasses the area from the Drina's confluence to Kupa. In the north it is bordered by the Sava, and in the south by Tuzla, Banja Luka, and other cities. It is a broad zone.

Sava Basin Route

I would like to say something about the narrower zone. I am mentioning it because in his book, General Kadijevic attributed great significance to that route (the Sava basin corridor through Bosnia—editor's note). He calculated, wrote, and planned that Zagreb would be covered from the south from the areas of Banja Luka, Sisak, and Karlovac, and from the north from the Drava basin route, and that in that way the new Croatian state would be subjugated.

Kadijevic consequently attributed a very high value to the Sava basin route in his conquering march toward Zagreb and Croatia.

When we got into the situation of considering that it was impossible to keep Yugoslavia as it was and when we were aware that it would be divided, we immediately had to anticipate the political and military events that would follow. It was more than obvious that Bosnia-Herzegovina, including Posavina, would play a very significant military, next military-political, and, finally, political role.

Consequently, the deployment and operation of strong military forces is possible in that zone. It was clear that it would make sense to occupy the Knin area and everything that went along with it only under the condition that that area could be reached by a secure land route. In view of the ethnic consolidation in Bosnia-Herzegovina, the only possible safe way to reach Knin and keep it open to Belgrade was through Bosanska Posavina.

In view of that, back in 1991, we conducted an analysis of possible enemy operations in that unique geographic

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and military-strategic territory. The Drava basin route and the possibility of the aggressor's operation and penetration from Serbia and Backa, i.e., to the northwest, was in first place, and the Sava basin corridor through Bosanska Posavina was in second place. We had several meetings with people from Bosanska Posavina, and with their friends in Slavonski Brod, Djakovo, and other places, at which we talked about the need for and the significance of the defense of Bosanska Posavina.

The Bosniak-Croatian population constitutes the majority in seven out of the 10 Bosanska Posavina municipalities. Accordingly, it was also possible to find human resources, and also funds for the defense of Bosanska Posavina. The Serbs are a relative majority in only three municipalities, and an absolute majority only in one.

Abandonment of Bosanski Brod

In 1991, and up until the middle of 1992, we very successfully held and defended the corridor through Bosanska Posavina. The area that is bordered by Bosanski Brod, the Ukrina valley, Derventa, and up almost to Doboj, and from the other side by Odzak and Bosanski Samac, was in our hands, and we held it relatively easily. With military reinforcement of that area, that bridgehead, corridor, south of the Sava could have held for a long time, and even been permanently defended.

As is well known, and as has been stated several times, without any reason that area was abandoned, and left to the enemy, even Bosanski Brod, which had a greater chance than Vukovar of being defended. This undoubtedly involved political manipulations associated with the partition of Bosnia, and in connection with that, various proposed maps, resettlements, and so forth.

There was talk about corridors, tunnels, overpasses, underpasses, so that someone could travel through those roads to his own area, actually to his own zone of responsibility. All of that, all of those corridors, maps, underpasses, and so forth, led to ethnic cleansing and war crimes and to the partition of what cannot be divided.

If Yugoslavia was not viable, it lived only 70 years, that cannot also be said of Bosnia-Herzegovina, which was viable even with the formula of several constituent peoples. It had to be viewed historically, economically, militarily, geographically, and otherwise as an entity that had existed for more than 700 years on its own Bosnia-Herzegovina territory, an existence with declines and fluctuations, naturally, but nevertheless firm and secure. That had to be clear to all analysts, both in politics and in the Army. That is why it was necessary to fight for the right things in Bosanska Posavina.

Karadzic and Mladic are now concentrating enormous forces, especially military equipment, in Bosanska Posavina, and they want to get rid of our bridgehead in Orasje. My opinion is that that bridgehead must not be abandoned at any price, and has to be held, moreover in coordination with action from Majevica, i.e., in cooperation with the Bosnia-Herzegovina Army, which may be of very great significance for the defense of Orasje.

When we have already made one big mistake with Bosanski Brod and Derventa, that mistake must not be repeated with Orasje.

When the enemy concentrates his forces in Bosanska Posavina, defending the corridor and attacking Orasje, the Serbian aggressor has to bring them in from Serbia or from other areas of Bosnia-Herzegovina. The aggressor is consequently condemned to abandon one area in order to create an appropriate balance or preponderance of forces in another area. From the military point of view, that is the first crack in the idea of creating a "Greater Serbia."

The Aggressor Is Losing

I agree completely with those who say that what is happening now, both in Bosanska Posavina and elsewhere in Bosnia-Herzegovina, with respect to the desperate attempts by Karadzic's fighters, is the beginning of the end for "Greater Serbia," but also the real beginning of the fulfillment of a secure, whole, and unified Bosnia-Herzegovina within its internationally recognized borders.

From my point of view, we should pay attention only to the Sava basin corridor, and on it and in it maintain a balance of power with the enemy, tie up large enemy forces in it, and with preliminary operations in other areas, prepare for the finish in Bosanska Posavina. That is precisely what is being done. We are not insisting on that final operation, but on the other hand we are insisting on the area of Doboj, Bihac, Treskavica, lifting of the blockade of Sarajevo, and several other points.

The aggressor cannot create a favorable balance of power everywhere; somewhere he has to lose. What I have mentioned is the preliminary operations that should be conducted in order for Bosanska Posavina to be liberated more easily and with fewer casualties, regardless of how the aggressor holds and defends it. I really expect that, and it will certainly happen, if not this year, then certainly soon afterward.

Consequently that is something that will end the aggressor's unsuccessful offensive and confirm the already well-known truth that the Serbian aggressor is capable

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of waging war, starting and conducting a war for some time, but regularly is the loser. It will also lose this one.

Accordingly, the final operations of this war, which the Serbian aggressor is certainly losing, will be conducted in Bosanska Posavina and certain parts of Croatia. I will not talk about that at this time and prejudice things, in the interest of what is called military strategy and military tactics, or a military secret, if you want me to put it even more simply.

(Recorded at the promotion of Dr. Ante Kovacevic's book, *The Sava Basin Corridor of Death*, by Ahmed Salihcehajic Hadzaga.)

Gen Dudakovic: Bihac Will Not Fall

95BA0275B Split BIH EKSKLUZIV in Serbo-Croatian 16 Jun 95 p 5

[Unattributed interview with General Atif Dudakovic, commander of the 5th Corps of the Army of Bosnia-Herzegovina; place and date not given: "Bihac Will Never Fall!"]

[FBIS Translated Text] "In the latest actions by members of the 5th Corps, especially on the Grabec-Grmusa plateau, the Chetnik units have been destroyed, and the goal, among other things, was to have the short-range enemy artillery withdraw from populated places, in which we succeeded," said the commander of the 5th Corps of the Army of Bosnia-Herzegovina, who also claimed that his units would soon also be linked up physically with other parts of the Army of Bosnia-Herzegovina.

The fact that they have been almost completely surrounded since the beginning of the aggression against Bosnia-Herzegovina and that they are overcoming all the attacks and even expanding the free territory really ranks the members of the 5th Corps of the Army of Bosnia-Herzegovina among the toughest defenders of our freedom. They did not give way before the attacks of the JNA [Yugoslav People's Army] and Karadzic's Chetniks, then they defended themselves against Martic's criminals, and then later they also had to fight against the traitorous units of Fikret Abdic.

Consequently, Atif Dudakovic's fighters are fighting against three paramilitary forces, and have not only saved their homes, land, and the people in them, but have also undertaken offensive actions in the direction of Bosanska Krupa, which they are close to, and the Chetnik criminals have even been driven out of the area near Pljesivica, so that the members of the 5th Corps today are the guardians of our country's actual borders.

Enemy Destroyed

In an interview for OSLOBODJENJE, General Atif Dudakovic explains it as follows:

"We have entered a phase in which our units, our corps, and our Army are becoming more mature. Through the planned use and planned conduct of combat operations, today an operation was conducted in the eastern part of our battlefield, i.e., on the Grabec-Grmusa plateau, where combined units of the 501st, 502d, and 503d Brigades conducted a strike and crushed the forces of the enemy's 17th Kljuc and First Drvar Brigade. In doing so they inflicted heavy losses on the enemy, and we also acquired a great deal of war plunder, several enemy soldiers were captured, and new territory belonging to our homeland was liberated.

"The purpose of these operations was to occupy new, favorable operational-tactical positions, as well as to create the conditions for freer movement for our population, because, as you know, the inhabitants of Bihac and Cazin were exposed daily to artillery fire, and this operation of ours moved the enemy's shorter-range artillery, primarily mortars and medium-caliber weapons, further away from our population centers.

"The purpose of the involvement of the enormous Serbian forces in the Bihac area is clear: They want to seize the route between Knin and Banja Luka, and take control of the Una railroad. They did not succeed in doing so, however, and after the latest successes of the HVO [Croatian Defense Council] on the Livno battlefield and the fire control over the roads between Glamoc and Bosansko Grahovo, and Knin and Grahovo, panic prevailed in Martic's state, and it seems that transports with one-way tickets will start soon, or rather, flight from the occupied areas."

Solution for Kladusa

The latest actions by the 5th Corps have moved the Chetniks away from Bihac, and defeated their intentions of taking it.

"The conquest of Bihac is only an empty dream on the part of the aggressor," said General Dudakovic. "They will never be able to occupy Bihac. We have enough strength to defend it, and now we have occupied favorable ground positions that will be fortified.

"As for Fikret's entity and his outlaws, I can only say that if by some chance we engaged those forces near Velika Kladusa, we would inflict heavy losses in Fikret's paramilitary force and on the Chetniks, liberate a considerable part of that area, and crush his main forces. Our doctrine and method, however, is that we do not inflict heavy blows and do not engage large forces

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near Velika Kladusa, in order to avoid the destruction of our people's material property, because those are our settlements, our villages.... Time will take its toll and, if no solution is achieved by political means, then the problem of Velika Kladusa will have to be solved militarily."

Speaking about a possible linkage with other Bosnia-Herzegovina Army units, General Dudakovic said:

"All of our activities are conducted in the spirit of the joint strategy of guidance and command, the plans and directives of our Army's General Staff, and realistic assessments by our headquarters. The Bihac area itself territorially constitutes an operational zone, and the Bihac-Bosanka Krupa-Cazin triangle constitutes a strategic base for the further liberation of the Republic of Bosnia-Herzegovina. When I say strategic base, I am thinking primarily of its human and material resources. Looking toward the west, we are not far from the Republic of Croatia. Around us, however, is the tissue of the so-called republic of Serbian Krajina, and no matter how far it seems to our main forces, we are nevertheless close and we have mutual communications. I hope that we will also soon be linked up physically," General Dudakovic said.

Council Urges Serbs To Reject Karadzic's Regime

AU1007200295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 10 Jul 95

[FBIS Translated Text] The Serb Civic Council [SGV] of Bosnia-Herzegovina has issued a proclamation to the Serb people in Bosnia-Herzegovina.

This is the time of historic changes for all the people of Bosnia-Herzegovina. The fate of all its citizens is to be decided, regardless of their political beliefs, ethnicity, and religion. The war has set Bosnia back severely. It has set back and made difficult the tradition of tolerance, it has distorted the human face, and reduced human dignity to below the [words indistinct]. Only peace brings hope, and opens the possibility for a better future.

Serb people of Bosnia-Herzegovina, join the struggle for peace, for an end to the war, for a just peaceful solution to the Bosnian drama, for the return of the expelled and displaced, for a Bosnia-Herzegovina as our common home. This means the acceptance of the Contact Group peace plan, and the construction of Bosnia-Herzegovina as the common state of equal citizens and nations living in it. It is well known that the Pale regime, isolated from the entire world, is not supported by the entire Serb nation or the leadership in Serbia. Is it not senseless for Serb sons to continue dying for an insane idea of an ethnically clean Serb state in Bosnia-Herzegovina, and beyond in the Yugoslav region? It is senseless since this same Serbia is populated by 35 percent of non-Serbs.

Serb people of Bosnia-Herzegovina, reject the policy of war and ethnic cleansing, and support those who are for peace and against war, for justice against injustice, for the return against expulsion, for a quiet life against crime. Act in the best tradition of your people, justly and humanely. Do you know, you legion of Serb women in black, why your children have died, why your husbands and brothers have died, and who is hunting down your dearest in Serbia, and forcing them into the Bosnian slaughterhouse? Those who have dragged them into the war will stop at nothing to stay in power, escape justice, and hold on to their stolen and cursed war booty. Do you know where their children are now?

Serbian people, protect your hearths and help others to return to theirs; no one needs ghost towns and villages, overflowing with graveyards, closed factories, and deserted schoolhouses. Ask yourself: Is it not the Pale policy that is leading you precisely in this direction? The peoples of Bosnia-Herzegovina have freedom-loving and honorable antifascist traditions; we call on you to turn to these traditions. Bosnia-Herzegovina is an internationally recognized state, its legitimate authorities guarantee equal human and civil rights for all people, irrespective of their ethnic background and religious belief. The sooner you opt for mutual coexistence and put your trust in the multinational, common, and legitimate authorities of the Republic of Bosnia-Herzegovina, the sooner we will see peace for all peoples in the country and state of Bosnia-Herzegovina, reads the [word indistinct] of the SGV to the people of Bosnia-Herzegovina.

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UN Official: UN Will Restore Peace in Krajina

LD0807172695 Belgrade TANJUG in English 1650 GMT 8 Jul 95

["Pool" item]

[FBIS Transcribed Text] Knin, July 8 (TANJUG)—The assistant UN Secretary General for Political Issues Alvaro de Soto said Saturday in Knin, administrative center of the Republic of Serb Krajina [RSK], that the United Nations would restore and reinforce peace in the region.

Peace is in the hands of the sides in conflict which must exert additional efforts in the search for peace, De Soto told the press following a meeting with RSK President Milan Martic and his aides.

Asked what the UN will do to prevent further clashes and Croatia's open threats to Krajina, De Soto said the UN secretary general would do all he can to remove all possibilities of another war, but noted that all sides must cooperate to this effect.

Security Council resolutions and the agreements signed by Croatia and RSK constitute the best way for peace, De Soto said.

The RSK territory has been a UN protected area since 1992, but Croatia has nevertheless carried out five aggressions on it. In its latest aggression on the western Slavonia part of the RSK in May this year, about 3,000 Serbs were killed and about 15,000 expelled. UN officials have warned lately that Croatia is again concentrating troops at the border with RSK.

President Martic said that unrealistic assessment of the causes for the Krajina-Croatia conflict and biased decisionmaking were the principal obstacles to peace.

Martic reiterated that Krajina too should be enabled to present its views to the Security Council.

The international community should reconsider its attitude towards the conflict between RSK and Croatia and take a more objective stance, Martic hoped.

UN: Croatian Troops Killed Krajina Refugees

LD1007103195 Belgrade TANJUG in English 1014 GMT 10 Jul 95

[FBIS Transcribed Text] Belgrade, July 10 (TANJUG)—A new UN report asserts Croatian Army troops machine-gunned refugees and committed other "serious" human rights violations in an attack on part of Serb Krajina two months ago, THE NEW YORK TIMES daily said Monday.

The British Reuter news agency quoted the paper as saying that the report, which it said was expected to be made public later this week, cited the testimony of witnesses to challenge the Croatian Government's contention that between 20 and 54 civilians had died in the fighting.

Instead, the report says that information gathered from "various international sources credibly indicate a number of civilian dead in excess of the government's figures," THE TIMES stated.

The U.N. report calls for further investigation, it said.

The paper said a U.S. State Department official had said Washington has raised questions with Zagreb about discrepancies in the casualty count and "isolated" reports of mistreatment of Krajina Serbs.

The UN report, prepared by Tadeusz Mazowiecki, the UN human rights commission's special rapporteur, cites six specific instances in which unidentified witnesses said up to 63 civilians were killed by Croatian Army soldiers during the battle and their aftermath.

Croatian officials have not taken issue with the thrust of the report, but have called human rights violations "minimal" and not condoned by government authorities, THE TIMES said.

The paper quoted Mario Nobilo, Croatia's UN representative, as saying, "this was not systematic. This was not something the government organised." Croatian officials said they were investigating the incidents.

The report quotes UN soldiers as saying they saw bodies of civilians scattered along the routes of the Krajina Serbs' retreat, and that in the days after the operation in eastern Croatia (western Slavonia), Croats blew up more than 100 Serbian houses in region, Reuter said.

TANJUG Reports Ethnic Cleansing

LD0907125395 Belgrade TANJUG in English 1230 GMT 9 Jul 95

[Report by Nikola Stanojevic]

[FBIS Transcribed Text] Zagreb, July 9 (TANJUG)—Croatia's May aggression on western Slavonia, a part of the Republic of Serb Krajina, which claimed 3,300 victims among Serb civilians and 1,000 among troops while 15,000 Serbs were forced to seek refuge, was a planned action whose aim was ethnic cleansing, started in 1991.

One of the former Serb leaders in western Slavonia, Veljko Dzakula, who stayed behind to share the fate of the few Serbs left there told TANJUG that if such a large number of civilians were killed, compared to the number of troops, the inevitable question is: "what kind of action was it."

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In western Slavonia, where they used to make up a large majority of the population, there are only a few Serbs left now. The departure of Serbs continues on a daily basis. A group of 25 people left Saturday their homes and properties where they lived for centuries.

Now in the parish of Pakrac there are 750 inhabitants of Serb nationality and in the region of Okucani around 250, Dzakula said.

Dzakula also reminded that up to 1991 around 80,000 Serbs were living in western Slavonia and that now, including the areas which used to be under Croatian control, there are only 5,000.

The continuous departure of smaller groups indicates that Serbs do not trust the Croatian regime which has already started to settle Croats in that region.

Dzakula said that a part of the Serbs stayed behind to wait for their family members, the 173 Serbs who are in Croatian prisons.

The imprisoned Serbs are defended by lawyers appointed by the state who are not even present at the investigations, Dzakula said.

Since the first day of the attack, the Croatian regime has been attempting to hide the crimes committed against Serb civilians, but it has surfaced that entire families had been murdered. The family of Ranko Vukovic was murdered in the Croatian aggression. He and his wife, Andjelija, and their two children (age 8 and 11) were murdered in the garden of their home.

In the villages of Medari and Trnova alone, site of intense fighting, 17 men, women and children were shot dead from close range in the morning of May 2, the community of Serbs in Croatia said.

The list of victims has been handed over to humanitarian organizations in Zagreb and to the ambassadors of the United States, Russia, Germany, Great Britain, and France.

It is not easy to determine the true extent of crimes. Representatives of international organizations are still not able to reach all the villages which were inhabited by Serbs.

Croats permitted UNPROFOR to enter some towns and villages in western Slavonia only the fifth day after the aggression, although the Republic of Serb Krajina is a UN-Protected Area since 1992.

Former Minister Says Hungary Helped Arm Croatia

LD1007142595 Belgrade TANJUG in English 1410 GMT 10 Jul 95

[FBIS Transcribed Text] Belgrade, July 10 (TANJUG)—Former Croatian Defense Minister General Martin Spegelj asserted in the last issue of the Zagreb weekly GLOBUS that he had been purchasing arms in Hungary in 1990 when his government was secretly creating an army and preparing a forcible secession from the Yugoslav Federation at the time.

At first, Croatia and Hungary persistently denied that arms had been smuggled, and although Yugoslav intelligence agents filmed the secret delivery of semi-automatic Kalashnikov guns over the border, the immediate participants in the smuggling are now making accusations against the Yugoslav state.

Spegelj claimed in a statement to GLOBUS that in the arms smuggling he had the direct support of the Hungarian Government at the time and president of the state, Jozef Antal.

Spegelj left together with the Croatian Foreign Minister Zdravko Mrsic for Budapest on October 5, 1990 (almost a year after the the war in Croatia broke out) for secret negotiations.

I was personally on very good terms with Antal, president of the Republic of Hungary at the time. I am convinced he was the one who ordered that the arms be sold to us at the lowest price, and that all the arms we need be delivered to us, Spegelj said.

The purchase of 30,000 Kalashnikov guns at a price of 280 German marks per piece, and other arms and equipment, was agreed at negotiations held in the Foreign Ministry with the president of a Budapest firm for the production of military equipment, Tehnika.

It was an exceptionally favorable offer, Spegelj said, because Zagreb had been buying before the war and during the war Kalashnikov guns at a price of over 700 marks.

An agreement was also signed on the purchase of 40 antiaircraft rocket launchers of the type Strela 2M (used to down the aircraft of the Yugoslav Army in Croatia at the time) and a large number of hand-held launchers RPG [rocket propelled grenade] 60.

Arms and equipment were bought from Hungary for a total value of 11 million marks, Spegelj said.

Croatia had thus been preparing for war against Yugoslavia and for subjugating the Serbian people in Croa-

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tia as soon as the Croatian Democratic Union (HDZ) came to power, Politika said. [sentence as received]

Poll: Over 80 Percent Term UNCRO Ineffective

AU1007170795 Paris AFP in English 1645 GMT 10 Jul 95

[FBIS Transcribed Text] Zagreb, July 10 (AFP)—A substantial majority of Croatians are sceptical about the United Nations mission on their territory, with four out of five believing UN peacekeepers to be ineffective, a poll carried out by the weekly OBZOR showed Monday [10 July].

More than 80 percent of those polled said they felt the United Nations Confidence Restoration Operation in Croatia (UNCRO) was having little effect in the former Yugoslav republic, while 26 percent felt the UN mandate would not be extended beyond its October 30 deadline.

The United Nations first deployed troops in Croatia in March 1992 to act primarily as a buffer between Croatian Army troops and Serb separatist forces of the breakaway Krajina region who fought a bitter war through the second half of 1991.

But Zagreb has repeatedly complained about the UN mandate in Croatia, insisting that the force's chief aim should be to prevent Serb infiltration across the border with Bosnia-Herzegovina.

Krajina Serbs, who rejected the UNCRO mandate in May, control around 2,000 kilometres (1,250 miles) of Croatia's porous southern and eastern borders with Bosnia-Herzegovina and rump Yugoslavia respectively.

A final question on the OBZOR poll found that 77 percent of Croatians believe Serbian President Slobodan Milosevic still influences the policies carried out by Krajina leaders despite Belgrade's claims to have distanced itself from Serb separatists in Bosnia and Croatia.

Public Supports Zagreb Position With Krajina

LD1007201795 Belgrade FONET in Serbo-Croatian 1647 GMT 10 Jul 95

[FBIS Translated Excerpt] Zagreb, 10 Jul (FONET)—The Croatian public supports the decisions on conditions for negotiations with the Serbs of Krajina, FONET correspondent Zarko Modric reports.

This is borne out by a public opinion survey published by the state weekly OBZOR [HORIZON].

Over 80 percent of 450 participants in the survey believe that Zagreb has done a good thing to set conditions for further negotiations with Knin, while as many as 90.7 percent support the decision not to accept Milan Martic as a negotiator.

Almost 78 percent of Croats agree with the view that Serbian President Slobodan Milosevic is the one who controls the policy of Serbs in Croatia.

Over 82 percent do not believe that the UN peace force will start carrying out its mandate.

The Croats could not agree on the last question: How long will the UN peace forces stay in Croatia? The largest number of them [26 percent] believe that they will stay until the end of their current mandate, that is, for another three months.

About 10 percent believe this period will last for a year, while 17 percent believe it will extend for another two years.

As many as 13.5 percent believe that the United Nations might stay for three to five years while 20 percent say more than five years. Only 15 percent replied in line with what the peacekeepers themselves believe: "I do not know." [passage omitted]

Krajina Accuses Zagreb of Troop Buildup

LD1007220495 Belgrade TANJUG Domestic Service in Serbo-Croatian 2137 GMT 10 Jul 95

[FBIS Translated Text] Knin, 10 Jul (TANJUG)—The Croatian Army continues to mass its troops along the borders of the Republic of Serb Krajina, something that has been repeatedly reported by the General Staff to the UN peace force Headquarters, the information service of the General Staff of the Army of Serb Krajina reported tonight.

"This time the Croats are recruiting young soldiers, so recruits have been transferred from Sibenik to Livno in order to attack the Republic of Serb Krajina from the direction of Mt. Dinara," the statement sent to ISKRA agency says.

Serb Commander on Mobilization, 'Compulsory Labor'

AU1107081895 Belgrade POLITIKA in Serbo-Croatian 9 Jul 95 p 7

[Article by M. Cetnik: "General Mrksic: Every Krajina Citizen Must Be a Soldier"]

[FBIS Translated Text] Knin, 8 Jul—The Serbian Krajina does not want war today any more than it wanted it four years ago. However, there is a great danger of passions in Croatia careering out of control and causing Krajina's adversary to undertake another offensive action. That is why Krajina is creating a firm military

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organization, which is the only thing that can guarantee a state of relative peace.

This is what Lieutenant-Colonel General Mile Mrksic, commander of the Serb Krajina Army today told the Krajina state media.

The objective of the pressure applied to the Serb Krajina Army is to stop its transformation, Gen. Mrksic said and stressed that the action of returning Krajina draftees from Yugoslavia to Krajina has prompted a veritable psychological war aimed at weakening the defense capability of the most threatened Serb state.

The action of returning draftees has restored the people's trust and morale. The minor setback we experienced is due to those individuals who opposed the action; however, the action of returning Krajina draftees will not stop. New military units have been formed from the several thousand individuals that have been returned, Gen. Mile Mrksic said.

The Serb Krajina Army commander's essential position is that there is not a single Krajina citizen incapable of defending his country. According to him, there will be a revision of all medical certificates declaring a person unfit for the military, while compulsory labor will be extended to include pensioners, women, and the partially disabled, so that production can continue even in conditions of third degree mobilization.

My position is that every citizen must be included in the defense of a country threatened by war, Gen. Mrksic said.

In response to a journalist's question as to whether the Krajina was establishing a system of defense resembling Israel's, Gen. Mrksic said:

The actual state of affairs is forcing us to undertake maximally flexible actions; I do not wish to speculate on whether this resembles the israeli defense doctrine. The fact is that these people will have to defend their borders for years to come. Our people will have to work in the fields and at the same time keep an eye on the trees where they have hung up their rifles for a long time to come. In order to make this fate more bearable, we are creating a professional and maneuvering army that will effectively protect its people.

Lt.-Col. Gen. Mile Mrksic, the commander of the Serb Krajina Army, has promised that all Krajina troops will soon receive their paychecks and that the struggle against war profiteering and all activities that lessen combat readiness will be even more rigorous.

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Gligorov: Yugoslavia's Collapse Not FRG's Fault

AU1107112095 Munich FOCUS in German 10 Jul 95 p 189

[Interview with President Kiro Gligorov by Jens Reuter; place and date not given: "A Different Germany"]

[FBIS Translated Text] [Reuter] As a former Tito partisan, how do you feel about German Tornado aircraft being used during NATO operations in Bosnia?

[Gligorov] Two completely different Germanys are involved. One cannot draw any comparisons. Half a century has elapsed since the end of World War II. Germany has become a democratic state that is helping build the new Europe. Prejudices that still link Germany with Hitler and fascism are not justified at all. Germany's entire history must not be reduced to a relatively short period.

[Reuter] Do you also believe that Germany and Former Foreign Minister Genscher are partly responsible for Yugoslavia's disintegration?

[Gligorov] Basically, I believe that Yugoslavia's collapse was not caused by external factors. This does not mean that the European states and the world community have always behaved in an optimum way. Thus, the policy of the EU may not always have been very clear and consistent. However, one cannot blame Germany for everything, because it was Bonn, in particular, that advocated Yugoslavia's unity for a certain time, and Genscher himself explained this vision to me.

[Reuter] Later, however, Bonn played a decisive role in recognizing Slovenia and Croatia....

[Gligorov] Yet, from this fact, one cannot draw the conclusion that a conspiracy abroad, between Germany and the Vatican, for example, led to Yugoslavia's disintegration. Internal factors were the main reason, that is, the people who were responsible for the fate of the country at the time. Not only Yugoslavia's unity was at stake.

[Reuter] What else?

[Gligorov] The fateful question of peace and war was involved. A secession on the basis of mutual agreement would also have been possible—like in the event of the former Czechoslovakia. Those, however, who wage a war cannot escape from their responsibility; they cannot shift it onto "sinister" foreign powers.

[Reuter] The EU member Greece has imposed an economic boycott against Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. Do you feel betrayed by the EU?

[Gligorov] Fourteen EU members have assured us of their support and lodged a complaint against Greece with the European Court of Justice. Yet Athens continues to insist on the boycott. This may lead to the further destabilization of the Balkans. The spreading of the war would be more terrible than anything that happens in Bosnia. I believe that the EU is not showing enough political will and determination.

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Polish-U.S. Exercise Inaugurated in Wedrzyn

LD1007114195 Warsaw Polskie Radio First Program Network in Polish 1005 GMT 10 Jul 95

[FBIS Translated Text] The first Polish-U.S. military exercises, codenamed Double Eagle, have been inaugurated in Wedrzyn in Gorzow Province. They are being held as part of the Partnership for Peace [PFP] program.

[Correspondent Sebastian Podkolsielny] The exercises were opened jointly by U.S. Ambassador to Poland Nicholas Rey and [Polish] Defense Minister Zbigniew W. Okonski.

About 500 Polish and American soldiers stood on the parade ground at the Wedrzyn open-air training ground in a 36-degree heat wave. Addressing them, Defense Minister Okonski expressed the hope that the fact that the exercises are taking place on Polish territory is proof of recognition of our strivings for NATO membership. Ambassador Rey said that the United States acknowledges our country's leading role in NATO's PFP program, which is to help us join the pact.

After the national anthems had been played and prayers said in English and Polish, the soldiers marched, to the music of a military band, past the guests.

Okonski: Only NATO Can Guarantee Security

LD1007130495 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 10 Jul 95

[FBIS Translated Text] Defense Minister Zbigniew Okonski has expressed the opinion that only NATO membership can guarantee Poland's security. During a news conference at the open air training ground in Wegrzyn, where the first Polish-American military exercises are being held, Minister Okonski responded in this way to the statement by Belarusian President Alyaksandr Lukashenka, who declared that SS-20 missiles with nuclear warheads were stationed 70 km from the Polish border.

[Correspondent Sebastian Podkolsielny] Minister Okonski said that NATO membership would guarantee Poland [security], for—as he put it—politicians in the East would think 10 times before putting a nuclear rocket launcher into action. In the defense minister's opinion, Poland needs two to three years to be able to cooperate fully with NATO technically. Okonski admitted that our army has to level out differences in the command system, in communications and antiaircraft defense.

General John Abrams, the commander of the U.S. Army 5th Corps, who was present at the news conference, said however that he would be able to command the Polish Army already today.

Politicians on Results of Kohl's Visit

WS1007151095 Warsaw ZYCIE WARSZAWY in Polish 10 Jul 95 p 2

[Article by Magdalena Kursa and Cezary Gmyz: "Kohl's Visit No Sensation"]

[FBIS Translated Excerpt] [Passage omitted] ZYCIE WARSZAWY asked several politicians to sum up the results of German Chancellor Helmut Kohl's visit to Poland.

Deputy Prime Minister Aleksander Luczak (Polish Peasant Party): "Kohl's visit was closely connected with the integration processes currently taking place in Europe. It is also very important that the visit put an end to various speculations regarding the current power structure in our country. It is not without meaning that the head of the government of one of the most powerful states in the world is coming to visit us, and that Polish leaders are treated like partners. It is very well that the head of the Polish Government stressed we will need support from the other side in adjusting our structures to meet EU standards. We are primarily counting on aid in restructuring our farming sector.

"The second most important element of this visit was the issue of our security. It must be remembered that our relations with Germany are a yardstick of European security. The visit has confirmed that this partner respects our sovereignty.

"The problem of minorities still remains an open issue after this visit. The chancellor spoke the truth when he emphasized that the German minority in Poland enjoys many privileges. It is a pity, however, that not much has been done to ensure the Polish minority in Germany with a similar status."

Christian National Union Chairman Ryszard Czarnecki: "Basically speaking, Chancellor Kohl said what Poles wanted to hear, but he did not go beyond general declarations. He began backing out of some even before the visit ended, for example the statement that we will become an EU member before the year 2000. He did not answer the question of why our relations are now better than they ever were over the last 50 years, but the worst in five. The problem of the Polish minority in Germany was not brought up at all. It is a pity Chancellor Kohl pretended the Frankfurt incident had never taken place."

Longin Pastusiak, deputy from the Democratic Left Alliance: "Consistent support for our aspirations to join West European structures and a clarification of stands

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on the so-called harmonization, i.e. simultaneous entry into EU, NATO, and the West European Union, is very important. The nice term could have served as a cover for decelerating the integration process. Kohl firmly denied he was for decelerating the integration processes. The fact that the Polish initiative of establishing a Polish-German Enterprise Fund was not taken up has left a feeling of insatiateness."

Daily on Importance, Success of Kohl Visit

WS1007122695 Warsaw RZECZPOSPOLITA in Polish 10 Jul 95 p 5

[Commentary by Katarzyna Kolodziejczyk: "We Are Going the Same Way"]

[FBIS Translated Text] A seasoned politician who knows how to win battles does not repeat ceremonious declarations or issue important warnings during an official visit without due reason. German Chancellor Helmut Kohl, the virtuoso of diplomacy that he is, presented the Poles with a challenge: Now or never! Either we manage to join West European structures within the next five years, or we will remain what we are: a gray zone, "God's playground," as Norman Davies once put it in the title of his book on Poland.

This was the most important message of the chancellor's visit. Poland's strategic targets and a one-in-a-hundred chance of becoming part of Western civilization are at stake. Courage and a pinch of determination are needed if we are to shake off the numbness to which we often succumb, otherwise our five minutes will pass. The irony of it is that it is the German chancellor who warned us Poles against such a prospect.

The reasons that the chancellor set the year 2000 as the date for us [to join West European structures] do not, obviously, have anything to do with the magic of the end of the 20th century, and this is not the place to analyze that. It is, however, worth remembering that Brussels—and quite often we ourselves—mentioned dates well beyond the new age. Poland and Germany are today going in the same direction, it is convenient for both to stay on the same side.

Kohl's visit dispelled doubts Poles had on the issue of simultaneous entry into the EU and NATO. The icy remarks that reach us from the East on NATO expansion on the one hand, and the need for Germany and the United States to take the role and potential of Russia into consideration on the other, have led to the situation in which not so much the simultaneity of our entry into the EU and NATO as much as their proximity in time best serves our interests.

In light of the above, the Polish-German agreement on renewed—in many regards—regulations of bilateral relations provides still more proof of how important this visit was. What happens now will be a test for us. How much better it would be if we did not have to pass exams all the time!

Perry, Kohl Statements on NATO Assessed

WS1107100995 Warsaw NOWA EUROPA in Polish 8-9 Jul 95 p 2

[Editorial by Franciszek Nietz: "The Freezing of NATO"]

[FBIS Translated Text] We have been waiting, with interest and hopes, for Chancellor Kohl to visit Poland for a long time. Poland expected that when he is in Warsaw, this politician, who is generally believed to be the advocate of our aspirations to join NATO and EU, will be more specific on his stand, which is favorable to Poland, and that he will present a more realistic vision of our Atlantic desires.

Before this could happen, however, Poland received from Bonn a signal which was at first not very clear but which certainly was disquieting: A statement made by the chancellor in which he mentioned that integration with NATO should be viewed jointly with the issue of Poland's integration with the EU. This statement sounded surprising. As former Foreign Minister Andrzej Olechowski noted, so far these two issues have not been linked in any country. Why, then, should Poland and Central Europe be treated differently?

When these opinions were expressed, we heard a calming explanation. Delivering a speech at the forum of the National Assembly, the German chancellor emphasized that even though the admission of Poland to NATO and its admission to EU are interdependent, this does not mean that these two events must occur simultaneously. The parallelism of these two processes, he stressed, does not entail that they must occur at the same time. It is my desire, he added, that Poland be admitted to the EU and NATO by the end of the 1990's.

This sounded reassuring, even though when he corrected his earlier statement (which, as Bonn tried to prove, was misinterpreted), the German chancellor did not in fact say anything new about Poland's integration with NATO and the EU. The fact that he confirmed his earlier stand is certainly of great importance if we look at Helmut Kohl's position in Europe and at the German Government's possibilities to influence the EU and NATO decisionmaking process. However, does this unequivocal and undoubtedly frank statement by Europe's leading politician open the door to NATO any wider?

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According to some observers, this door is still closed pretty tightly and nothing indicates that it will soon be opened for new eastern members of the organization. It was most probably no coincidence that Kohl's statement, which links Polish EU membership to NATO membership, has been made now that we can hear increasingly more opinions in the West which undermine the sense of quick NATO expansion.

The formula of that simultaneousness in time may be a convenient pretext for advocates of these ideas. It will make it possible to postpone the issue of admitting Central and East European countries into NATO until the remote future—to the year 2000 or perhaps an even later date.

Therefore, we should try to be more patient and get rid of excessive illusions as far as Poland's integration with Western security structures is concerned. U.S. Secretary of Defense William Perry, who was cordially received during his recent visit to Poland, argued during his visit to Copenhagen that [NATO] enlargement is not an urgent issue despite the pressure, (especially exerted by Poland.) It is a very long and complex process, he stressed, a process which involves approval of the legislatures of all 16 NATO member states.

Just like most members of the Clinton administration, Secretary Perry is believed to be an advocate of expanding the organization, even if he wanted to slow down the process. Both in the United States and in West Europe there are, however, many who are in favor of freezing the process.

Influential politicians and publicists in Washington increasingly often ask the question whether American society and the U.S. Congress will agree to NATO expansion. The fact that Senator Sam Nunn, one of the most influential politicians in the U.S. Congress joined the group of opponents of admission of Poland and other Central and East European countries to NATO, is an alarming signal. It may also be interpreted as a preliminary announcement that the U.S. legislature will reject President Clinton's plans to expand NATO eastward.

NATO expansion, Senator Nunn argued, may make it more difficult for the United States to develop relations with the most important country in the world, the country which has the greatest potential in the area of proliferating weapons of mass destruction. He added that the potential admission of the European postcommunist countries to NATO should be preceded by their economic integration with the West and by their admission to the EU, and not the other way around.

Let us note that the arguments presented at first by Chancellor Kohl, which he then diplomatically gave up, sounded similar. Let us also note (our correspondent in Bonn Marek Orzechowski reported on it some time ago) that such signals were sent from Bonn earlier. No one can rule out that they will not reoccur.

Thus, we certainly should appreciate the recent declarations made by Chancellor Kohl and respect the FRG for the support which the country has given so far for our integration with the economic, political, and military structure of the West. We must, however, also show some skepticism. It may come in handy if we have to take the edge off the bitterness of our premature hopes.

German Commentator Views Kohl Visit

WS1007142795 Warsaw RZECZPOSPOLITA in Polish 10 Jul 95 p 5

[Commentary by Klaus Bachmann, Warsaw correspondent for the STUTTGARTER ZEITUNG: "A Good Sign"]

[FBIS Translated Text] According to both Polish and German media, Helmut Kohl received a very good reception in Poland. In spite of the fact that his visit was not intended and did not turn out to be as major a breakthrough as that of President Herzog last year, or even Kohl's last visit six years ago, the German chancellor did manage to dispel certain doubts and placate the Poles' indignation with the statements he made following the incident in Frankfurt [an der Oder]. The most the visit brought was a return to the former status quo.

What was a step forward, however, was the statement Kohl made about accepting Poland into the EU and NATO by the end of this century, meaning four or five years from now—about which NATO circles have already expressed their surprise. In terms of human relations, the visit was very friendly and pleasant. The Frankfurt incident did not lead to a Polish-German confrontation. This is a very good sign that indicates more and more Poles view anti-German overtones in the press as a violation of their interests, and that more and more Germans (particularly in the border regions) consider anti-Polish incidents as contrary to theirs.

As a state, Germany supports Poland's entry into NATO and the EU not only because it has an obligation to make up to Poland for sins committed in the past or because it is altruistic, but also because nobody wants the NATO border 70 km east of Berlin. We have common goals: the fight against international crime, development of the underinvested border regions, transborder environmental protection, fighting competition from the Far East,

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and many others. Common interests can do more for the stability of Polish-German relations than friendship between politicians or any moral gestures.

Kohl's visit was a success for both sides, but I would not overestimate it. In democratic states, relations with neighbors do not depend that much on politicians. More and more depends on what we think of our neighbors. The German chancellor's visit has proven once again that official contacts between our two states will be less and less of a "breakthrough" and that the real breakthrough will have to take place in our minds.

Oleksy To Meet Walesa on Privatization Bill

LD1007191495 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 10 Jul 95

[Passages within quotation marks are recorded]

[FBIS Translated Text] Prime Minister Jozef Oleksy has let it be known that a meeting between himself and President Lech Walesa on the Law on Commercialization and Privatization of State Enterprises can take place soon. The president intends to veto the law.

[Oleksy] "I have arranged a meeting with President Walesa and it will take place very soon, maybe this week."

Two hours earlier, Government Spokesperson Aleksandra Jakubowska told journalists that the meeting between the prime minister and the president was not expected to take place. Prime Minister Oleksy was surprised by this statement.

[Oleksy] "I do not know why she made this statement, because she did not ask me about this."

After the meeting with Internal Affairs Minister Andrzej Milczanowski, the prime minister expressed concern over information received from him. The prime minister said that the evidence concerning links of organized criminal groups with the state administration, presented by the minister, will be one of the items on the agenda of tomorrow's government meeting.

[Oleksy] "At tomorrow's meeting of the Council of Ministers I am going to hear the report on the matter. What I heard today sounded ominous indeed, and the ministry will brief the Council of Ministers on what has been involved and what can be dealt with immediately, and what should be treated as a general signal for which it is too early to take action."

Rightist Leaders Against Forming Pro-Walesa Bloc

WS1007144895 Warsaw RZECZPOSPOLITA in Polish 8-9 Jul 95 p 2

[Article by Kazimierz Groblewski: "Right Wing Not Interested in National Agreement Bloc; Slim Chance of Establishing Large Bloc"]

[FBIS Translated Text] We have not found a party which would like to join the National Agreement Bloc. A proposal to establish such a bloc was submitted on Thursday [6 July] by the Non-Party Bloc in Support of Reforms [BBWR] to "patriotic, center right, and rightist" groupings. The tasks of the bloc would include helping Lech Walesa win the presidential elections and then guaranteeing rightist groupings success in parliamentary elections.

In line with the proposal submitted by BBWR, Hanna Gronkiewicz-Waltz and Adam Strzembosz should give up their presidential bids and join the camp of those campaigning for Walesa.

"We want to persuade right-wing politicians to put aside their aspirations and evaluate their chances realistically. We would like them to think about one thing: Once the parliamentary elections have been won, there will be enough posts available—there will be enough for everyone. Now everything may be lost. Here are the conditions which must be met before a party can join the bloc: Supporting the candidacy of Lech Walesa and agreeing on certain issues concerning the program and personnel," says BBWR Parliamentary Club head Andrzej Gasiennica-Makowski.

He can see a real possibility of drawing the following organizations into the bloc: a portion of the Alliance for Poland, part of the 11 November Accord, and part of St. Catherine's Covenant. He cannot see room for the Center Accord because Kaczynski "is a political destabilizer," for extreme national parties, or for the Conservative Party and the Conservative Coalition, "because these groupings are closer to the Freedom Union."

We tried to find out yesterday how the proposal of joining the bloc would be received by some of the groupings which Andrzej Gasiennica-Makowski mentioned as possible partners.

Ryszard Czarnecki, Christian-National Union

First of all, it is not a good thing if those whom such a strictly political proposal concerns find out about it from the media. This shows that the proposal is just a piece of propaganda and not a genuine offer.

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This proposal is difficult to accept because it imposes some preliminary conditions up front: Gronkiewicz-Waltz and Strzembosz abandoned, Lech Walesa the only candidate. There is not much left to discuss. Secondly, I do not really like the name itself, it brings to my mind the [communist] Front of National Unity.

Of course, if we are invited to talks, we will talk. The proposal would, however, require a few fundamental changes.

Leszek Moczulski, Confederation for an Independent Poland

The difference between ourselves and BBWR is that they have already supported a specific candidate, and we have yet to do that. We are saying that we will give our endorsement to a candidate selected from among the following five people: Hanna Gronkiewicz-Waltz, Jan Olszewski, Leszek Moczulski, Adam Strzembosz, and Lech Walesa. It may be Lech Walesa, but it does not have to be him. BBWR believes that it must be him. Thus, BBWR wants to set up a bloc in support of this candidate. This is why we cannot join it; however, we certainly can talk about establishing any bloc, we can try to find a common formula—still, this common formula cannot point to any candidate as the candidate that has been finally agreed.

Stanislaw Michalkiewicz, Union for Real Politics

We have not received any official invitation to talks. I do not, however, think that we might accept this offer. The Union for Real Politics has endorsed the candidacy of Janusz Korwin-Mikke for president. The proposal of reaching a gentlemen's agreement, which he has made, is still valid; in line with it, all registered rightist candidates should give their support to the candidate that has the greatest chances of success according to results of opinion polls. I can see no reason why we should at the moment decide to join this bloc, that is, support Lech Walesa.

Artur Balazs, Peasant-Christian Party

It is out of the question. We have our candidate for president, Adam Strzembosz, whom we still support. We believe that his chances of success will increase. We support the idea of the entire right wing fielding a single candidate and as yet no alternative candidacy has appeared. As for the candidacy of Lech Walesa, we have been saying all along that he should not run for reelection. His presidency now shows that Poland needs a stable presidency. It is even difficult to call the BBWR initiative a serious one. BBWR has split (the Republican Party has separated from it—K.Gr.) and I doubt that what is left of BBWR will be strong enough to build a political camp, especially if this camp is to be built around Lech Walesa.

Covenant Primaries Conclude; Results 'Secret'

WS1107082895 Warsaw ZYCIE WARSZAWY in Polish 10 Jul 95 p 2

[Article by "IGO": "One Loser, at Least Two Winners"]

[FBIS Translated Text] Father Maj presented candidates taking part in the St. Catherine's Covenant primaries with results of a popularity vote held several days ago. There are several versions of those results.

There is still no certainty as to who won.

Before the meeting, rightist circles speculated on the presidential primaries held recently by St. Catherine's Covenant. As we all know, the Covenant comprises over a dozen minor rightist parties closely affiliated with Solidarity, and held a vote on three candidates: National Bank of Poland President Hanna Gronkiewicz-Waltz, Leszek Moczulski, chairman of the Confederation for an Independent Poland [KPN], and former Prime Minister Jan Olszewski.

As information circulates quickly on the right despite its lack of cohesion, the supposed results—known only to Father Maj—have quickly become a public secret. The problem is, however, that various sources give different results. Some claim Olszewski received the most votes and that he has thus became more confident as a presidential hopeful. GAZETA WYBORCZA reported that Olszewski received eight votes, Gronkiewicz-Waltz—four, and Moczulski—two. "Absolutely not! Gronkiewicz-Waltz got the most support," said others. Everyone did agree, however, that the KPN chairman got the least votes.

Father Maj presented the results at a meeting with the candidates. As they have been sworn to secrecy, contradictory versions continue to spread. Various politicians claim their favorites won.

Jan Olszewski did not take part in the meeting. Neither did Solidarity Chairman Marian Krzaklewski. All that is known is that the runoff will take place in August. It will be preceded by a poll of the three candidates' popularity.

Zielinski Confirms Intent To Run for President

WS1007142895 Warsaw RZECZPOSPOLITA in Polish 8-9 Jul 95 p 2

[Article by Ewa Wojnowska: "Tadeusz Zielinski Will Run; Supraparty Candidate-Legalist"]

[FBIS Translated Text] Professor Tadeusz Zielinski, spokesman for civil rights, said at a news conference

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in Katowice on Friday, 7 July, that he would "officially submit his candidacy in the presidential elections" after the Sejm speaker announced the schedule for elections.

"However, I do officially confirm already today my desire to run for the highest office in the state," he added.

Zielinski is outraged by the fact that over the course of six years, three consecutive parliaments have not managed to pass a new basic law.

"This discredits us abroad and causes a state of destabilization and a feeling of insecurity in the country. This feeling of insecurity is aggravated by incessant threats of dissolving the parliament and changing cabinets, by wrangles among parties which cannot reach an understanding on practically any issues. The lack of stabilization is also threatened by the increasing stratification of society, corruption, the Mafia, activities on the fringes of the law, and by the all-pervading intolerance."

"In such a situation it is impossible to run the state rationally. This is why Poland needs a president above all divisions, one who would offer equal chances to everyone, regardless of their views and political origin."

The spokesman for civil rights considers himself a supporter of parliamentary democracy and for this reason he is prepared to cooperate with any parliamentary majority elected in democratic elections.

Tadeusz Zielinski decided to make his preelection declaration in Katowice because he was reared there and he lives permanently in that city (as he stressed, he was born in Krakow). As he put it, his problem is as follows: "I cannot give up my duties as spokesman for civil rights for the duration of the presidential campaign, until I have a successor or at least a deputy. Now—during the parliamentary recess—there is no possibility to appoint such a person." In response to allegations that he wants to keep the post of spokesman "just in case," he said: "My term of office expires on 15 February 1996 and then, whether I want to or not, I will have to vacate this post."

KRRiT Divided Over Responsibility for Programs

WS1007144795 Warsaw ZYCIE WARSZAWY in Polish 8 Jul 95 p 2

[Article by Rafal Szubstarski: "Television. Presidential Campaign According to National Council; Whatever Politicians Wish To Say?"]

[FBIS Translated Text] Who should be responsible for what politicians will say during the presidential campaign, members of the National Council of Radio and Television [KRRiT] ask themselves. "It should be television itself," part of KRRiT believes. "It would be tantamount to censorship," other KRRiT members say. Next week KRRiT is to pass a resolution on the principles of conducting the presidential campaign on Polish Television [TVP].

So far the programs which have been broadcast as part of the election campaigns on television were preceded by the caption that TVP does not bear any responsibility for the content of those programs.

However, some members of KRRiT believe that television should be burdened with this responsibility under the Law on Radio and Television. In line with the law, all programs broadcast by TVP "should be characterized by responsibility for whatever is said and they should care about the good reputation of public television."

"If television broadcasts a program in which Polish law is violated, then it should also take the responsibility for this," [KRRiT member] Boleslaw Sulik believes. Andrzej Zarebski [KRRiT member] is of the same opinion; however, he believes that this responsibility should not be held in the case of live programs.

"It would threaten to introduce censorship if television's employees started to check before an election program is broadcast whether it violates the law," Michal Strak fears.

Also [KRRiT] Chairman Marek Jurek is skeptical about the idea of holding the broadcaster responsible for what politicians say. "In line with the law on presidential elections, candidates have access to television, which means that they are free to present their programs there and it is they who should be held responsible for those programs," Jurek believes.

"Television is responsible for the objectivity of information it reports; however, I can hardly imagine its taking on the responsibility for statements made by politicians," says Zbigniew Niezgoda, director of the office of the TVP Board.

If KRRiT decides that a given program violates the regulations of the law on radio and television, the KRRiT chairman can order a halt to the broadcasting of this program and impose a financial punishment on the TVP director; the punishment can be equal to his six-month earnings.

KRRiT wants to hold public discussions soon on the impartiality of broadcasters during the presidential campaign. Participating in those discussions would be, among others, representatives of the State Electoral Commission, campaign staffs, and journalists.

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* * *

KRRiT has agreed to separate the Center for Research on Public Opinion [OBOP] from the structures of TVP. Thus, OBOP will become independent of TVP and will be able to set up a joint venture with a foreign partner, which would make it possible to modernize this polling agency and to make use of new polling methods. The TVP Board had been asking KRRiT to give its approval for over a year.

Supreme Chamber of Control on Finance Ministry

WS1007132295 Warsaw GAZETA WYBORCZA in Polish 14-15 Jun 95 pp 21, 23

[Article by Piotr Skwirowski: "Chaos, State Treasury Losses, and an Absence of Rules for Concessionary Tax Breaks; The Supreme Chamber of Control Paints a Gloomy Picture of the Ministry's Actions: Supreme Chamber of Control Inspects the Finance Ministry"—all figures as published]

[FBIS Translated Text] The Supreme Chamber of Control [NIK] inspected the Ministry of Finance in the second half of 1994. The period covered by the inspection spanned 1992 to the end of first half of 1994. The NIK examined the correctness of decisions made by the ministry, particularly the relinquishment of tax assessment and collection, amortization and deferral of unpaid taxes or default interest, deferral of tax payments, and their breakdown into installments.

In the period under review, three governments differing in political orientation ruled Poland: the Olszewski, Suchocka and Pawlak governments. However, in the period described, the same person in the ministry remained responsible for taxes: Deputy Minister Witold Modzelewski. The NIK report is thus directly aimed at him, though it does not mention him by name. When asked for a comment by us, Deputy Minister Modzelewski excused himself by saying he had not acquainted himself with the document.

Chaos and Photocopying Laws

The Ministry of Finance does not keep a register of income tax breaks allowed. Tax breaks in the form of "recommendations" (letters to fiscal chambers and offices), applicable either on a nationwide scale or addressed to a particular sector of the economy, are merely recorded in registers together with other regular business correspondence.

This makes it difficult to evaluate the scale and financial consequences of such recommendations. Data available for review at the ministry is incomplete, therefore the sums involved have been lowered.

On the basis of registers of business correspondence, NIK has determined that between 1 January 1992 and 30 September 1994 approximately 170 letters were forwarded by the ministry to directors, containing "recommendations," "instructions," "orders," and "explanations" regarding income tax issues.

Letters concerning tax breaks forwarded to tax authorities by the minister and persons authorized by him concerned both individual taxpayers and industries, as in the case of the mining industry, although the law on tax liabilities sanctions the finance minister to "relinquish establishing tax liability and tax collection in full or in part in economically or socially justifiable circumstances, or other extraordinary circumstances"—that is, to issue legal acts pertaining to groups of taxpayers.

On the basis of these "instructions," the revenue service awarded tax breaks (90 percent of all decisions) allowing for the relinquishment of establishing tax liability and tax collection. In practice, fiscal offices only formally approved decisions, actual decisions were made by top officials in the Ministry of Finance. From explanations supplied by heads of fiscal offices, it follows that letters concerning tax breaks forwarded from the Ministry of Finance were treated as formal instructions.

Estimated Budget Losses

The data supplied by the Ministry of Finance—incomplete data, as NIK clearly points out—show the cost to the state budget as a result of tax breaks and income tax exemption for legal entities was as follows: In 1992— 6,983,700,000,000 old zlotys [Z], of which Z1,257,600,000,000 was a result of decisions of the Finance Ministry, tax chambers and offices. Z15.3 billion is a result of decisions issued by the minister of finance on the basis of the 1991 act on ventures with foreign capital.

The remaining Z5,710,800,000,000 are so-called system tax breaks and exemptions (of a nondiscretionary nature) of which more than Z2,880,000,000,000 was on the basis of the 1988 act on business activity with the participation of foreign entities. In 1993: Z10,322,400,000,000 (48.7 percent more than in 1992)—while the increase in revenue to the budget from income tax from legal entities amounted to only 23.6 percent.

Out of this sum, Z1,538,900,000,000 is due to decisions made by the minister of finance or tax chambers or offices. Z103.1 billion is a result of decisions made by the minister of finance on the basis of the act on business ventures with foreign capital.

The remaining Z8,680,300,000,000 are regular deductions and rebates, of which Z3,953,000,000,000 is on

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the basis of the act on business activity with foreign entities:

—In the first half year of 1994: Z6,999,000,000,000, of which Z777,600,000,000 can be attributed to ministerial decisions, or decisions by tax chambers and offices. Z308,000,000,000 are a result of the act on business ventures with foreign capital. The remainder are regular deductions.

The structure of the tax breaks granted has changed to the state budget's disadvantage. In 1993 the amounts of amortized and relinquished tax collection increased, i.e. those forms of tax breaks which by annulling tax liabilities irrevocably decrease budget revenue.

Tax Breaks for Taxpayers

In the period under review, the Ministry of Finance forwarded letters providing "recommendations" to specific tax chambers on the subject of tax breaks in income tax from natural persons. These tax breaks were to apply to income taxpayers, among others.

The question relates to deductions from employee salaries that employers are required to pay to the state treasury as prepaid tax . It now seems the ministry either remitted or deferred such tax arrears owed by a number of companies. Here are some examples:

—An 8 June 1993 letter to the tax chamber in Walbrzych in reply to a petition from the Walbrzych Collieries requesting remitting of interest on arrears from unpaid income tax prepayments deducted by the mines from salaries of natural persons and requesting payment in installments of remaining arrears. The following recommendation was provided in the letter: "Recognizing that the company is in a difficult financial situation, [...], I would suggest that you express approval for payment in installments of the overdue income tax from natural persons on the condition that the company settle all payments to the state budget on an ongoing basis. It would be possible to remit the interest on the arrears at the close of the year if the company is able to meet the above-stated condition."

—An 18 June 1993 letter to the tax office in Gdansk in reply to a petition from the North shipyard in Gdansk concerning the remitting of interest on income tax deducted from employee salaries. In this letter, the ministry proposed that the payer, i.e. the shipyard, be allowed a deferral until the end of 1993 of the payment of interest on income tax deductions from natural persons in 1992 on condition that in 1993 the tax deductions are paid on time.

—A 2 February 1994 letter to the tax office in Poznan in reply to a petition from the Polania Wielkopolskie shoe factory requesting the remitting of tax arrears by way of conciliatory proceedings. In the letter, the ministry states that due to the fact that arrears owed on income tax from natural persons are not processed by way of conciliatory proceedings, in order to make possible the transformation of the factory's ownership structure and its ability to continue to provide employment to approximately 1,000 employees, spreading payment of the tax over a maximum five-year period would be justified.

—An 18 February 1994 letter to the tax chamber in Radom (in reference to a reply forwarded from the Senate of the Republic of Poland) related to allowing Anka Ltd., a multisector company, the payment in installments of arrears on income tax deductions from the salaries of its employees. The ministry points to the incorrectness of the decision of the tax chamber in Radom not to allow payment in installments of arrears on income tax deductions from physical entities.

The ministry followed a different course of interpretation in its 16 June 1993 letter to the tax chamber in Jelenia Gora in reference to the petition from the Pienskie Glassworks calling for the remitting of its debt and the deferral of the payment of tax arrears. The ministry recognizes the need to support the efforts of the company in its attempts to reach a settlement with creditors and agrees to the deferral of due dates for payments of tax arrears. Nevertheless, it notes that the "tax break in the payment of its tax obligations should not be applied in regard to income tax from natural persons, of which the company is merely a payer. This tax payment ought to be settled or enforced immediately."

The ministry would thus on one occasion allow tax chambers (and through them—tax offices) to allow tax breaks to taxpayers—in keeping with the act on tax liabilities—and on other occasions would express the view that tax breaks related to payment of tax liabilities should not be offered for income tax from natural persons, in which case companies are merely taxpayers.

If the interpretation used by the ministry were to be adopted, it would mean that on the basis of decisions made by the minister of finance, it is acceptable for payers to take possession of state budget revenues. It is therefore possible for businesses to be additionally financed by their employees at the state budget's cost, the NIK report claims. This, the report adds, leads to unjustified and unlawful depletion of the revenue of gminas [smallest administrative units], whose revenue also includes a portion of the income tax from natural persons.

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The Ministry Shields the Voivode

In a letter to tax chambers in Chelm, Katowice and Warsaw, the ministry recommended granting tax breaks in a manner at variance with tax law regulations.

For instance, in a 31 August 1993 letter to the tax chamber in Chelm concerning the deduction from taxable income of expenses incurred by taxpayers toward building a local gas line, it states that "appropriate tax offices should be notified about the need to issue an official decision related to the discontinuation of the assessment and collection of the income tax for 1992 in the amount equivalent to the value of payments made this year by taxpayers to the benefit of the Communal Gasline Construction Committee," and further, that "a list of names of persons whom this decision will concern ought to be added as an enclosure."

However, donations to communal gasline construction committees were not mentioned on the list of donations for which the law on income tax from natural persons provides a tax break.

The NIK was able to establish that the position taken by the Ministry of Finance was a result of an error made earlier by the Chelm deputy voivod governor. He had assured members of the Communal Gas Network Construction Committee that donations from natural persons toward the construction of a gas network are tax deductable before making income statements.

The Ministry of Finance has stated that "a misinterpretation of legal regulations by state administration authorities should not give grounds for disagreements between taxpayers and tax offices."

Contradictory VAT

In the Systematic Product List [SWW], published by order of the president of the Central Office of Statistics [GUS], and valid as of 1 January 1991, batteries for farm tractors are listed under heading No. 1134—"galvanic batteries"—on which a 22 percent tax has been imposed.

Yet, on the basis of a letter from the research facilities at the Ursus tractor plant near Warsaw, dated 29 July 1991, and one from the Central Battery & Cell Laboratory in Poznan, dated 17 December 1991, the minister of finance issued a decree on 12 May 1993 related to tax on products and services. On that list, he included batteries that are denoted by the symbol SWW 1039—"power drives and tractor parts for all-purpose tractors." That served as a basis for applying a zero percent VAT for batteries for farm tractors.

On 23 August 1993, the Ministry of Finance made the recommendation to tax chambers and offices that until the classification in the SWW has been put in order, zero percent tax ought to be applied for parts to all-purpose (farm) tractors.

Yet the Tax Office and Tax Chamber in Konin made individual tax decisions in the case of manufacturers of farm tractor batteries, using instructions issued by the GUS president as a basis for that decision. They established due VAT tax at the 22-percent level.

This decision was appealed by the taxpayer to the Supreme Administrative Court [NSA]. The claim was rejected in a 8 June 1994 NSA decision which upheld the decision made by tax authorities. In the explanation to its decision, the NSA stated that: "it is especially unacceptable for Ministry of Finance clerks to present their own lists of products and services for which there is a zero percent tax rate in circulars addressed to tax authorities."

Having been informed of the differences in the classification of batteries to farm tractors (15 October 1993 request of the Konin Tax Chamber calling for an explanation of the differences), the Ministry of Finance failed to take action to standardize the SWW classification. Only after NIK inspection did the minister of finance ask the GUS president in a 8 December 1994 letter for appropriate changes in the classification to be made.

NIK also has reservations in regard to the ministry's action, which though aware of the NSA verdict and in contradiction of its decision, ventured in a similar case to annul the decision of the Tax Chamber in Konin and proceeded to impose a 22-percent tax on the AKVIS company in Konin, a battery manufacturer.

How the Ministry Gave In on the Fiat Company

On the basis of a 1991 act on companies with foreign capital, the minister of finance issued decisions from early 1992 and mid-September 1994 providing tax relief on income tax for 61 companies. The value of the relief totalled over Z15 trillion, the NIK was able to assess.

Some of the decisions were issued in contravention of the existing legal act and, worse still, did not duly secure the interests of the State Treasury. It follows from Article 23, clause 1 of that act that the minister of finance "may, after receiving a positive opinion from the proper minister concerned, exempt a business from having to pay income tax."

The absence of an opinion from "the appropriate minister" was ascertained when decisions relating to two Fiat-affiliated companies—Magneti Marelli SA and Teksid Poland SA—were reviewed. These two companies were allowed tax breaks from income tax totalling Z351.6 billion. The same situation repeated itself in the case

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of a draft decision for allowing Fiat Auto Poland a tax break exceeding (old currency) Z5 trillion. No decision had been issued until a review of the grounds for that decision had been completed. NIK points out that earlier these companies were given a promise of a tax break without obtaining the opinion of the minister authorized.

The drafts of the decisions concerning the three companies—Fiat, Teksid and Magneti—did not include Professor Stanislaw Soltysinski's suggestion to include in the tax break decision a reservation calling for "possible suspension, amendment or rescission in part or in whole of tax exemptions in the event of a significant violation of investment obligations on the part of the investor." The draft prepared for the Fiat company contains one condition, namely, that in a given year—in the period for which the exemption is made and two years after its expiry—the value of export sales of cars produced by the company will not be lower than 20 percent of the total value of annual sales.

No opinion from the "appropriate" minister could be found in the documents related to the case, neither did the finance minister ask for such.

This case can also be indirectly linked to that of the Sedzimir steelworks, which drew credit with the intention of starting a new production line for supplies to the FSM car factory in Tychy. In a letter dated 6 July 1994, the Bank Handlowy in Warsaw notified the minister of finance that it had guaranteed collateral for loans drawn with foreign banks by the steelworks, and that the FSM legal successor prefers to purchase its supplies of steel sheets in Italy, which has caused the steelworks financial problems.

In May 1994 the steelworks failed to settle the principal and interest payments—Z120 billion in total. The bank therefore informed that if this state of affairs were to continue and the steelworks was unable to market their steel sheets, it would raise the threat of potential losses for both the state budget and the bank.

Payments to the foreign bank were finally made out of funds obtained from the Ministry of Finance. Because the settlements with foreign banks were overdue, the interest payments, calculated at a 34 percent interest rate, amounted to Z150.1 billion. In a letter dated 25 March 1994, forwarded to the Tax Office for Warsaw City Center, following suggestions from the Ministry of Finance, the Bank Handlowy in Warsaw asked for the relinquishment of income tax collection to the amount of interest payments already made. In a decision of 6 April1994, the tax office decided to "make an exception" by allowing the relinquishment of income tax collection for 1993 on income from paidn interest equal to Z150.1 billion.

Without the Approval of Other Ministers

The minister of finance offered promises of tax relief to companies with foreign capital involvement, i.e., income tax breaks in contravention of the position taken by the proper minister, which is banned by Article 23, item 7 of the law on companies with foreign capital involvement.

For example, the minister of industry, in an opinion addressed to the Ispol company on installing painting facilities in the production of Venetian blinds, stated that "from the viewpoint of industrial policy, it is not an area of business that would qualify to have its development given financial preference. It is also not a company producing essential products for the home market. For this reason, I see no basis for granting a positive response to the company's request for a promise of an income tax break." The minister of finance did not ask for an opinion before issuing his decision. The value of the relinquished income tax equalled $5,619,995.

In the explanation to one of its sentences, the NSA maintained that "if the opinion of the appropriate minister is negative, then proceedings practically come to an end, for in such cases the minister of finance cannot issue a decision that is other than negative."

In issuing the decision, the minister of finance relied on opinions that were not outright positive nor did he apply to the appropriate minister for his opinion on the case. Here are some examples:

—The decision announced 11 April 1994 concerning the Oriflame Products Poland company—relinquishment of income tax collection of the sum of ECU10 million. "In examining the type of production activity in which the venture is engaged, I wish to inform that from the perspective of adopted industrial policies, the cosmetics industry is not recognized as a high priority branch of the economy," the undersecretary of state in the Ministry of Industry wrote in December 1992.

—The decision regarding Henkel Polska SA taken 30 July 1993—relinquishment of income tax collection in the amount of 17 million German marks.

In an opinion presented 30 November 1993, the under secretary of state in the Ministry of Industry stated that: "From the viewpoint of the goals of industrial policies, production in the mentioned venture is not a high priority activity in the state economy. However, recognizing the need to maintain the existing level of employment and utilization of domestic raw materials for production purposes, I propose that the option of allowing a partial tax exemption be considered."

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The minister decided to relinquish income tax collection to the value of the entire sum requested.

—The 13 June 1994 decision concerning the Steffen-Pionki Co.—relinquishment of income tax collection in the amount of 6,693,307 German marks.

The minister of industry stated in an opinion dated 20 May 1994 that "the furniture industry, in accordance with the adopted industrial policies, is neither an area of strategic importance nor a high priority area in plans for industrial development."

However, in taking into consideration the planned export of processed goods, as well as the possible rise in employment figures, the minister would be inclined to support the request for relinquishment of income tax under the condition that all financial means obtained from possible tax breaks will be allocated solely to the technical and technological restructuring of the company involved.

The minister of finance did not fully take into account this suggestion when issuing his decision. He also set down the condition that at least 50 percent of the financial means obtained from tax breaks on income tax will be allocated to that company's technical and technological restructuring.

—The 6 May 1994 decision related to the Philips Mastsushita Battery Poland SA company—the relinquishment of income tax collection in the amount of ECU 8,097,000.

On 9 March 1994, the minister of privatization presented a positive opinion on granting that company's income tax exemption. A day later, the companies with foreign investment department in the Ministry of Privitization informed the minister of finance that "due to the need to keep statutory dates, the opinion was issued on the basis of very fragmentary documentation. Despite the fact that the proxy of the petitioner had been called upon to supply missing documentation, he has not met this requirement to this very day. The petitioner has not submitted any statements corroborating that new technology had in fact been implemented. As far as planned production goes, when evaluating new solutions it would be important to determine whether it is new technology not only on a national, but also international scale, i.e., whether the technology being introduced in Poland is technology drawn from other manufacturing plants owned in other parts of the world by the same shareholders of the company.

It should also be explained whether one of the motives behind moving ecologically unsafe production is the desire (need) to move it to a country where environment protection standards are different (not as harsh as in Belgium).

I would also like to point your attention to other reservations related to this issue. These concern the need to ensure protection to the Polish battery producer now in the process of privatization. Allowing Philips a privileged position by providing a tax break with regard to its entire revenue could hamper, or perhaps even threaten the existence of the Polish battery producer."

The NIK has ascertained that the circumstances described in the second letter from the Ministry of Privitization have not been clarified, and that before issuing his decision, the minister of finance did not request that full documentation of the company's application be supplied.

In a letter dated 22 December 1993, the undersecretary of state in the Ministry of Finance wrote to another undersecretary in the same ministry that "it may be important to make a gesture toward serious Japanese investors in the light of our attempts to normalize our credit relationship with Japan. It is difficult for me to assess whether this gesture is not exaggerated."

Contribution in the Form of Technical Innovation

The minister of finance did not check as required by law to see whether the value of the income tax break did not exceed the actual value of the purchase or assumption of shares or stock by foreign entities. More than once, contributions made by foreign entities were made in a nonpecuniary form, i.e. as contribution in kind or intangible assets. The value of the tax breaks was not dependent on the real value of the contribution (assessment of the value of the contribution was not the subject of the minister's evaluation).

For instance, the decision in the case of the Boart Lena Co.—relinquishment of income tax collection to the value of the contributed capital contribution of 400,000 German marks and the nonpecuniary contribution worth 5.2 million DM. A total of 63 percent of the contribution of the foreign shareholder (3.5 million German marks) was a contribution in the form of "technical innovation." The remaining portion of the nonpecuniary contribution was contribution in kind, comprising machines and equipment 90 percent of which was produced in the years 1971-86.

Without Even Checking

The NIK also stressed that there is no documentation in the Ministry of Finance of an assessment stating how the companies had met the conditions set down in the decisions described above.

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For example, before the second decision related to the relinquishment of income tax collection to the sum of $11,939, $645,600 was submitted to Mostostal Export, the minister of finance had no information regarding how the company had filled conditions defined in the tax break awarded earlier (21 December 1992—sum relinquished: 7 million Geramn marks). On the basis of the NIK inspection in tax offices and chambers, it has been determined that the Mostostal Export SA Co.was not inspected, and the value of the exemption from income tax applied amounted to: Z5,909,000,000 in 1993, and Z25,845,000,000 in the first half of 1994.

Tax Breaks for Bankrupts and Hoaxers

The inspection revealed instances of tax breaks granted by tax offices to businesses in liquidation or unlikely to pay deferred receivables. Here are some examples:

—The tax office in Dzialdowo, in a decision made 25 May 1994, agreed for the JAWAX company to pay Z11 million of tax receivables in installments, despite the fact the company was in liquidation.

—Tax Office No. 1 in Gdansk deferred overdue payment of 1992 and 1993 income tax of the Cooperative Bank in Kolbudy in three separate decisions. In August 1993 the bank's bankruptcy was declared. Overdue payment of almost Z1 billion was never settled.

It was also noted that tax breaks were granted to businesses, which as tax inspection offices discovered in their investigations, had a proven record of questionable settlements of tax liabilities.

—Fiscal inspection of settlements for 1992 made with the budget by the EWANS limited liability company, seated in Bydgoszcz, uncovered that the company's tax statement showed lowered taxable income, reducing the value of paid taxes by Z78 million in total, of which Z39 million accounted for unpaid income tax. It followed from letters from tax inspection authorities to the tax office that fiscal penal proceedings had been initiated against the perpetrator. Nevertheless, the EWANS company applied to the tax office for the due amount from unpaid 1992 income tax to be broken down into four installments—and the tax office agreed!

Exceptionally Generous Tax Authorities

The NIK inspectors gave considerable attention to the workings of Tax Office No. 2 for Central Warsaw. It allowed an incomparably larger number of tax breaks than other offices reviewed. In consequence of five of its decisions in 1992, income tax collections worth Z1,834,000,000,000 were relinquished, whereas tax breaks allowed by 46 other tax offices inspected amounted to approximately Z1,351,000,000,000.

Interestingly enough, the most important decision of these was the relinquishment of income tax assessment and collection from one of the most profitable Polish companies—Telekomunikacja Polska SA (approximately Z1,376,000,000,000).

In the first half of 1994, the office granted tax breaks amounting to Z4.4 trillion. Once again, these tax breaks were used by such companies as: Telekomunikacja Polska S.A. (Z1.2 trillion), the Polish-German Cooperation Foundation (almost Z3 trillion), the Cenzin company (approximately Z115 billion) and Rolimpeks S.A. (approximately Z27 billion). And also, amusingly enough—the Polish Economics Society (Z270 million). The tax office claimed, in explanations to each decision, that it considered written instructions from the Ministry of Finance.

Not for the Poor

It is noteworthy that tax breaks in the form of deferrals or installments were primarily awarded to taxpayers requesting large tax breaks. For instance:

—The tax office in Poznan-Jezyce granted tax breaks in the form of deferrals and payments by installment to twenty businesses—all totalling Z8.5 billion. Ten businesses were, nevertheless, denied tax breaks. The sums taxpayers asked to be deferred or paid in installments and whose requests were refused—were relatively small—averaging Z24,200,000. "The State Treasury cannot incur losses due to the fact that the taxpayer's business activities do not bring a clear profit," was the justification for the refusal to allow payment in installments of Z2,700,000 to a taxpayer who had two children to support and a wife on disability pension, and had been repairing his twenty-year old car for the past two months.

—Tax Office No. 1 in the South Praga district of Warsaw refused to defer payment of an advance on income tax (Z74,700,000) from the owner of a small service company who claimed she had not received overdue payments from her debtors and had ongoing expenses related to payments for imported raw materials. At the very same time, TELMONT, the Telecommunications Services Company, was allowed payment in installments of Z4.6 billion (TELMONT has been cooperating with the French company Bull in automating tax computer systems for tax chambers and offices).

NIK Conclusions

The data, though fragmentary, has shown that there is a disquietingly widespread scale of "manually operated" management of the economy due to interference from

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the Ministry of Finance in decisions related to individual cases, the NIK report points out.

Based on its inspection and study, NIK calls for:

—an end to the finance minister's policy of interfering in the substance of decisions regarding tax breaks issued by tax chambers and offices, through various "authorizations" and "recommendations," and for his taking advantage of instruments furnished him by the provisions of the law on tax liabilities;

—an end to tax breaks for taxpayers;

—a ledger to be maintained by the minister of finance for keeping a complete record of tax breaks and exemptions; parliament should receive information concerning individual cases of tax breaks and exemptions allowed, as well as a report from the Council of Ministers related to the performance of the state budget for the given year; decisions made by the minister of finance related to granting breaks or exemptions from payments to the budget of the state or sector of the economy should be preceded by a calculation of the financial effects of applying these measures;

—tax authorities to apply tax regulations in a consistent manner in proceedings before decisions regarding tax breaks have been issued, and that the obligation to accurately report the actual situation be upheld;

—using the results of the NIK inspection to discipline authorities responsible for tax break decisions in tax chambers and offices; the effectiveness of tax breaks and exemptions should be the subject of periodic assessment and review conducted by the Ministry of Finance;

—permanent supervision of the ministry over tax offices in the area of supervision of the finance minister's decisions concerning income tax exemptions granted to business ventures with foreign capital;

—securing the interests of the State Treasury by linking the value of tax breaks allowed to the actual value of shares contributed by foreign investors.

The NIK inspection report was signed in May by Lech Kaczynski, the recently recalled NIK president, and Wojciech Jasinski, director of the financial and budget department at NIK.

State Expenditures on Environment Outlined

WS1107105795 Warsaw RZECZPOSPOLITA (NAUKA I TECHNIKA supplement) in Polish 5 Jul 95 p 25

[Article by Krystyna Forowicz: "Money for Ecology"]

[FBIS Translated Text] The National Fund for Environmental Protection and Water Economy [NFOSiGW] spent over 13 trillion zlotys [Z] in loans, subsidies, surcharges, and preferential credits last year. Every fourth zloty spent in Poland on environment protection comes from the NFOSiGW treasury.

A "carrot and stick" policy exists. The charges one has to pay for economic use of the environment, penalties for exceeding norms and for offenses againt the environment are the "stick." On the other hand, NFOSiGW acts as a "carrot," offering cofinancing or cheaper than bank credits for proecological investments. By the year 2000, about Z210 trillion (old currency) are to be spent on environmental protection, of which about Z50 trillion will be paid by the NFOSiGW.

From the Carrot and Stick

Over Z4.3 trillion was received last year from charges and penalties administered by voivodes and voivodship environment protection inspectors, that is, 28 percent more than in the previous year.

Revenues from regional water economy offices were about Z4.2 billion, covering charges for using water supply facilities, navigation, timber floating, and underwater mineral mining.

It is not always easy to enforce payment from large industrial plants for the economic exploitation of the environment. Mines take the lead in evading fees. The mines are overdue with payments of about a few million zlotys for discharging salt water into the rivers. It is well known that they have a very difficult financial, organizational and structural situation. "They pay symbolically," claim NFOSiGW employees with empathy.

The industrial plants apply to the fund for remitting the credit payment. A total of 172 applications were received last year with a request for remitting of at least a part of the payment. In 64 cases the applications were treated favorably. The fund's board adopted a resolution to remit credits worth Z86,740 million.

"Difficult credits," of which there were 133, accounted for only 6 percent of all open credits. As much as 40 percent were remitted, mainly for coal companies. The most difficult creditors are unfortunately the mines; the one giving the least difficulties—local municipalities.

The fund readily lends money to industrial plants which are hardest on the environment—those specified on the list of "80 poisoners." Last year the fund signed agreements with 18 of them. The value of the financial aid exceeded Z1 trillion (old). The taste for the "carrot" grows. If the fund could have at its own disposal a sum two or three times higher, it would be capable of spending it all on rational and fully proved ecological investments. When dividing the

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funds, NFOSiGW always encounters the problem of "robbing Peter to pay Paul." Last year, the fund signed over 1,000 credit and subsidy agreements worth Z5.7 trillion, that is, 61 percent more than in 1993.

In the fiscal year, the fund's offices serviced over 2,200 agreements, in an amount exceeding Z15 trillion. A total of 627 agreements were concluded, including 107 credit agreements.

Less Waste, Cleaner Air

The NFOSiGW funds allocated, for example, to the mining industry allowed the underground burial of nearly 700,000 tonnes of mining waste, 450,000 tonnes of power station ash, and 42,000 tonnes of salt contained in mining water. Some 164 hectares of ground devastated by mining activities has been recovered for agricultural production and 120 hectares for the forestry economy. The quality of power coal and ash has been improved in modernized mechanical processing plants, which in the future will lower the annual discharge of 65 thousand tonnes of sulfur dioxide and 47 thousand tonnes of ash into the atmosphere.

NFOSiGW is participating in financing theconstruction of an exhaust desulphurization plant at the Jaworzno III power station and a facility producing lead-free gasoline in the Gdansk refinery. In the Labedy steelplant, open-hearth furnaces have been replaced with electric ones. The modernization of the sulfur acid plant utilizing sulfated hydrogen is under way in the coke plant in Zdzieszowice.

Plans to build waste treatment plants with a capacity of 670.8 thousand cubic meters per 24 hours (among others, for Bialystok, Koszalin, Czechowice-Dziedzice, Busko Zdroj), nearly 200 km of sewer pipes (in Tczew, Wieliczka, Rewal County, and "Morena III" in Gdansk), and a pumping station with a capacity of about 8,000 cubic meters per 24 hours are currently being developed. The capacity of water tanks will be increased by nearly 60,000 cubic meters, and their acreage by 378 hectares. A water tank in Cieszanowice and a water treatment plant for Plock are to be built. Flood embankments with a total length of 313 km will be built. The cleaning and reclamation of about 50 hectares of ground that had been polluted with oil derivative waste where the former Soviet Army was stationed and the protection of the water supplies at intakes for Szczecin are projected.

The NFOSiGW is playing an increasing role in cofinancing new waste-free technologies and energy-saving solutions. This includes, among others, the installation of low emission burners or boilers with fluid furnaces. This will be a priority in the coming years. Investing into an "end of the pipe" ecology [ekologia "konca rury"] is being forfeited in favor of cleaner technologies.

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Melescanu Views Black Sea Cooperation Summit

AU1107080095 Bucharest AZI in Romanian 6 Jul 95 p 5

[Interview with Foreign Minister Teodor Melescanu by Ana Cristina Litescu and Radu Calomfirescu; place and date not given: "Integration Cannot Be Achieved by Declarations of Intent Only. Genuine Economic Efforts Are Needed, Too"]

[FBIS Translated Text] *During the Black Sea Economic Cooperation [CEMN] summit, recently held at Parliament Palace in Bucharest, the issues approached by the attending heads of states and governments were actually identical to the things that they had proposed to solve, without, however, being able to achieve any concrete results, at the previous summit when they founded the CEMN. The nature of the Bucharest summit in itself was a formal one, as all the documents that were agreed upon had previously been worked out by the committee of foreign ministers of the 11 countries. Considering the quite difficult problems facing each CEMN member country, their approach to the multilateral relations among them was a very timid one, the major obstacle in the furthering of their ties being the lack of a stable and reliable source of finance. On the other hand, the lack of joint customs and tax regulations, which they have failed to work out over the past three years, is preventing an efficient common market from being set up in this region. We asked Mr. Teodor Melescanu, our foreign affairs minister, to comment on the evolution of this regional organization.*

[AZI] To what extent is this regional integration compatible with the general European one?

[Melescanu] One of the characteristic traits of the European evolutions is precisely this: continental integration on the one hand, and, on the other, regional integration, which is complementary to the first one. I can give you a few examples: the Central European Initiative, the group of northern countries, the one of the Baltic Sea countries, and the one of the Black Sea region. There are several forms of regional cooperation that are not intended to serve as an alternative to the EU, but rather as a means to speed up European integration; one can assert that they are complementary.

[AZI] Is it possible that the international financial organizations, which offer money, might interpret this as an attempt to attract funds for purposes that are not just economic?

[Melescanu] No, because ultimately these funds serve the same goal: the economic development, in parallel, of the countries in the Black Sea region. I do not think that the existence of several channels will limit our chances of obtaining money. The funds will be allotted to very accurately elaborated projects and channels in very precise directions. I do not think that the European Bank [for Development] or the EU will raise objections regarding the usefulness of developing this entire region.

[AZI] How much will our CEMN membership help us in our efforts to join the EU?

[Melescanu] The essential element in Romania's European integration is our ability to narrow the gap with the economic competitiveness of EU member countries. Our country has a specific structure: Ours is a country that imports raw materials and energy resources and exports manufactured products (the quality of which is not very good) and food products. We have to maintain this development direction. Our integration cannot be achieved by declarations of intent only. The latter is a special task of the Foreign Affairs Ministry. Genuine economic efforts are needed, too. And we have to keep making such efforts. We need raw materials, we need components for our products. If we do not take our integration very seriously, all our efforts could end in economic collapse. And we need as much support as we can obtain.

[AZI] How do NATO and the WEU [Western European Union] regard the fact that the Black Sea region countries are strengthening their ties?

[Melescanu] There are no problems here, because two of the CEMN member countries, Turkey and Greece, are also members of the EU, and, therefore, I do not think that there is any incompatibility between our organization and the other ones on the continent.

[AZI] There is dissimilarity, to a certain extent, among the CEMN member countries, both regarding their economic development level and the policy promoted by the governments of each of those countries. Some of them even have territorial problems. Do you believe that, given time, a homogenization process will occur?

[Melescanu] I believe that one of our objectives, although the principal one is economic cooperation, is to contribute, by means of joint projects, to the defusing of relations in our region, so as to eventually increase its stability. Thus, the fact that there are disputes, sometimes even open conflicts, is no reason to show less interest in our integration. I believe that this is a reason for us to try to use this instrument—cooperation—as best we can.

[AZI] As there was no money available, none of the projects has been achieved. Is there any hope for something to begin moving?

[Melescanu] One of our major problems has been the "illness" from which we are all suffering, namely the

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lack of funds. To respond to this need, we founded the Black Sea Foreign Trade and Investment Bank. Unfortunately, for the time being this bank is not operational. This is because not all of our member states have subscribed and the flow of foreign—U.S., Japanese, and, generally, Western—capital did not occur at the rate we hoped. The talks that we held here prove that this bank has to become operational as soon as possible. We hope that this will be achieved before the end of the year. If it happens, our main obstacle, the lack of funds, will be surmounted to a certain extent. Of course, there will still be needs that we will be unable to satisfy.

[AZI] How do you think it is possible to fine-tune the policies pursued by the governments of the member states, considering that currently there is considerable political and economic dissimilarity among them?

[Melescanu] They are not homogeneous, but they are complementary. The CEMN member states can be roughly divided into two categories: the countries that have already reached a certain level of development, such as Turkey, Romania, Bulgaria, and Greece, countries that have manufacturing industries and possibilities to export their products, even if they are mainly food and light industrial goods, and which, at the same time, are raw materials and energy importing countries; the second category consists of countries that are major exporters of raw materials and energy, such as the CIS countries. I would like to stress again that they are not homogeneous, but in exchange for that they are complementary. Of course, homogeneity is the best means to further economic cooperation, but I still believe that if we know how to turn to good account the specific needs, as well as the capabilities of each of the member countries, we will be able to make this economic structure viable. From the political angle, there is no other way to settle disputes but by dialogue. What we tried to achieve at this CEMN summit was to speed up this dialogue and to make a concrete contribution. There is some dispute, which we will have—and I think we will also be able—to settle.

Military Cooperation Accord Signed With Portugal

AU1007182295 Bucharest Radio Romania Network in Romanian 1300 GMT 10 Jul 95

[FBIS Translated Text] An accord on military cooperation was signed today in Bucharest between the Romanian and Portuguese defense ministries. The document was signed by the Romanian defense minister, Gheorghe Tinca, and his Portuguese counterpart, Antonio Jorge De Figueiredo Lopes.

According to statements made by the two dignitaries, the accord lays the basis for future relations in the domain of military cooperation between the two ministries, in the field of reorganization and restructuring of their armed forces, and training and preparing their cadres with an eye toward future cooperation.

Mr. Tinca said that their talks were concentrated on various aspects regarding bilateral cooperation, the reform of the Romanian Army, the European security context, as well as the Partnership for Peace program, seen as a first step in joining NATO, as it lies in Romania's interest to gain the support of Portugal, one of the founding countries of the North Atlantic Alliance, reports our correspondent Catalina Cretu.

Defense Minister Outlines Armed Forces Plans

AU1107092695 Bucharest EVENIMENTUL ZILEI in Romanian 4 Jul 95 p 2

[Article by Doru Dragomir: "The Counterespionage Direction of the Army Found That No One Among Active Military Personnel Signed the 'Letter of the 300'"]

[FBIS Translated Excerpt] Yesterday, at the Byzantine Hall of the National Military Circle, National Defense Minister Gheorghe Tinca held a news conference. [passage omitted]

They Allotted 18 Billion Lei to Research

—The defense industry has helped to enable Romania to pay back its foreign debts. They are making efforts to preserve the personnel working in the defense industry, although the number will be cut further as a consequence of the retooling process. They will only cooperate with prestigious foreign companies manufacturing military equipment. "Wherever we go, we do not buy weapons, but rather seek ways of cooperation by which we can achieve technology transfers to our defense industry." Their cooperative projects with foreign companies are not intended to achieve the production of military equipment, only, but civilian equipment as well. Such cooperation depends on several factors, namely its financial and political and implications. Within a maximum of two years, certain contracts will begin to materialize. For 1995 they allotted 18 billion lei to research in the military field.

—The rate of suicide cases in the Armed Forces has dropped considerably.

—The standard 50 flight hours per pilot [per year] will be exceeded and the necessary fuel will be available.

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In the Year 2000 the Armed Forces Will Consist of 195,000 Personnel

—The Law on the Status of Military Cadres will frustrate a lot of personnel, especially those who will have to retire. There is not a single unemployed officer in the Army. The Army personnel cuts will be achieved by retirements. In the year 2000 the Romanian Armed Forces will have 195,000 personnel, compared with 230,000 persons currently.

We Have 15 Attack Helicopters Although We Are Entitled to 120

—During Defense Minister Tinca's visit in the United States they talked extensively about the Russian Federation. Neither the U.S. Administration, nor Romania wish to isolate Russia. "Russia will have no veto right with respect to the admission to NATO of the partner [Partnership for Peace] countries."

—During his visits in the United States and Germany he got in touch with 12 major arms-manufacturing companies.

—There are 19 objectives of interoperability [with NATO], which have to be achieved within the next two years; basically they refer to communications, learning their language and symbols.

—Romania's integration within NATO does not depend on the political debates that take place, but rather on the efforts made by each army to make progress in the interoperability process.

—The Cobra-type helicopters will be manufactured under license at the plant located in Ghimbav, Brasov County. Currently the air force has 15 attack helicopters, although by virtue of international conventions they are entitled to have 120.

—In cooperation with Germany, Romania will manufacture a new tank model.

—In the future, our new antiaircraft cannon model will be much better than the current one, and it will only require a crew of three, instead of a crew of seven currently needed to operate it.

Concluding his news conference Gheorghe Tinca said that the Romanian peacekeeping battalion will leave for Angola at the end of this month.

Communique Rejects Criticism of Education Bill

AU1007202295 Bucharest Radio Romania Network in Romanian 1900 GMT 10 Jul 95

["Press communique" of the Romanian Ministry of Foreign Affairs, released on 10 July—read by announcer]

[FBIS Translated Text] The Romanian Ministry of Foreign Affairs took note with surprise of the statement made by Mr. Laszlo Kovacs, the minister of foreign affairs of Hungary, cited by Radio Kossuth, according to which the new Education Bill of Romania runs counter to European norms and thus creates problems in the finalization of the bilateral basic treaty.

This statement adds to a more ample action, which also contains, among other things, the letters addressed to the speakers of the two chambers of the Romanian Parliament by Hungarian officials and the letter of the Hungarian education minister to his Romanian counterpart, all this being interpreted by Romanian public opinion as attempts to exert pressure.

The statement made by Foreign Minister Kovacs on the eve of his official visit to Romania [scheduled for 19-20 July] cannot be assessed but as unexpected and even counterproductive.

The Education Bill of Romania meets European standards, not as a result of interventions on behalf of Hungary or other factors abroad, but as a result of our own political option to meet European standards in that field. As a matter of fact, the new law even surpasses those standards and exceeds the stipulations of the similar Hungarian law, and especially reality in Hungary, where, as is known, the Romanian ethnic minority, similarly to other ethnic minorities, has been and still is being constantly subjected to assimilation, now running the risk of losing its linguistic, cultural, and ethnic identity.

The Ministry of Foreign Affairs assesses that in fact the agitation carried out by the UDMR [Democratic Union of Hungarians in Romania], the exaggerated claims expressed by extreme elements in that party and also supported by certain leaders in Hungary are the real factors complicating the finalization of the basic Romanian-Hungarian treaty. The stance displayed by the UDMR leadership, as well as the statements made by certain leaders in Budapest, also ignore the way in which the Education Bill was passed in Romania's Parliament, respectively that a large majority of votes was cast in its favor.

The [Kovacs'] references to the basic Hungarian-Slovak treaty are irrelevant for Romania, as that treaty compels Hungary and Slovakia, but it cannot be made opposable

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[opozabil] to the Romanian party, precisely in the way as stipulations included in treaties concluded by Romania with other countries cannot be made opposable to the Hungarian party.

The Ministry of Foreign Affairs uses this opportunity to reassert once more, the unchanged readiness of the Romanian party to continue in good faith and in an open and constructive way, the efforts intended to find solutions meeting the mutual interests of both countries and having the European spirit to finalize the basic treaty between Romania and Hungary, and expresses its hope that the Hungarian party will act in the same spirit, including at the coming visit in Romania by the foreign minister of Hungary.

Melescanu: No Role for CE in Treaty Mediation

AU1007124695 Bucharest ADEVARUL in Romanian 4 Jul 95 p 1

[Interview with Foreign Minister Teodor Melescanu by Bogdan Chirieac; place and date not given: "Nobody in Romania Asked the Council of Europe To Mediate the Romanian-Hungarian Treaty"]

[FBIS Translated Text] [Chirieac] Mr. Minister, the PUNR [Romanian National Unity Party] National Council asked for your dismissal as foreign minister because you, not being a member of a political party, do not make decisions but rather follow the recommendations of the ruling party. How do you view the PUNR's request?

[Melescanu] I have also learned from the press of the PUNR National Council's request regarding my dismissal from the office of foreign minister. It is certainly the right of each political party to formulate such requests and it is well known how many such requests for dismissal of government members or for change of government have been expressed in the past few years. There is also a publication that establishes the "government of the week"!

For good measure, I would like to mention that the Ministry of Foreign Affairs and, first of all, the minister of foreign affairs, are working within the government on the basis of the government program adopted by Parliament since the executive received its investiture.

As far as I know, each member of the government "receives recommendations"—to use your expression—from the prime minister of the government, regardless of the respective member's political position. As far as I am concerned, in accordance with the provisions of the Constitution, I obtained the office of foreign minister upon Prime Minister Nicolae Vacaroiu's proposal, which was validated by Parliament. Therefore, he is the only person authorized to make a decision about the composition of the government, including my position as minister of foreign affairs.

[Chirieac] PUNR is threatening to withdraw from the government if Recommendation 1201 is included in the Romanian-Hungarian treaty. Will the Ministry of Foreign Affairs continue to promote the idea of a compromise on the issue of the treaty with the possibility of a split in the government coalition?

[Melescanu] In the act of negotiating the basic treaty with Hungary, the Ministry of Foreign Affairs will continue to work for the achievement of a mutual compromise—let me repeat that, mutual compromise—that will be able to produce a document that both parliaments can ratify. That is precisely why the Foreign Ministry will certainly take into account the realistic and constructive viewpoints, according to the national interest, expressed by the major parliamentary political forces that will be called upon to ratify the treaty.

[Chirieac] Why is it necessary for the Council of Europe [CE] experts to mediate the treaty between Romania and Hungary, given the fact that there are intensive diplomatic relations between the two countries?

[Melescanu] Nobody in Romania has asked the CE to mediate in the negotiations on the treaty between Romania and Hungary. The visit that a delegation of experts of the CE Secretariat is going to pay to Romania is part of the constant dialogue between Romania, as member of the CE, and that body and it will give the opportunity to approach a great number of issues, particularly those with a judicial character, regarding the large number of international conventions and documents worked out by the CE, including the "famous" Recommendation 1201.

Therefore, this contact, which in fact is part of the current practice in the relations between the CE and the member countries, does not represent in any way a mediation in the process of negotiating the basic treaty between Romania and Hungary.

CDR Removes Support for Foreign Policy

AU1107132795 Bucharest ADEVARUL in Romanian 5 Jul 95 p 2

[Unattributed report on statements by Emil Constantinescu, leader of the Democratic Convention of Romania: "The CDR Is Detaching Itself From the Government's Diplomatic Lack of Success"]

[FBIS Translated Text] "We cannot indefinitely excuse the government's lack of results in foreign policy," said

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the CDR [Democratic Convention of Romania] president yesterday, 4 July, at a news conference that assessed the results of the parliamentary year that has just concluded. Constantinescu recalled that while the alliance of democratic forces granted timely support to the Vacaroiu cabinet, it set the condition that the basic Romanian-Hungarian treaty be concluded as soon as possible. The CDR president explained that, in spite of the "consensus reached in Snagov" on European integration, the current leadership is not credible, because it does not strive to fulfill the basic demands of the international fora, and because of the extremist manifestations of some groups included in the government coalition. Emil Constantinescu turned directly to the presidency and the two presidents of the Parliament Chambers demanding "a clear response" to the question whether the head of state is being blackmailed by Corneliu Vadim Tudor [senator and president of Greater Romania Party—PRM] and, whether there are "documents or files" on whose basis other people in the country's leadership are being blackmailed by the PRM senator.

Emil Constantinescu also mentioned that at the end of the parliamentary year, the CDR representatives are the only ones that can enjoy moral credit, because none of them have been mentioned in the reports of the "Anticorruption" and the "Apartment" commissions, or in the organization such as AGA [Shareholders Supervisory Board] and CA [Court of Arbiters]. PNTCD [National Peasant Christian-Democratic Party] Deputy Ioan Muresan said that although there is a Parliamentary decision which stipulates a number of measures for cases such as those included in the report of the "Anticorruption" commission, nothing has been done about Petrolmin, Agricol-International, and the sugar affairs or about the land allocated in the region of Amara lake. PNTCD Deputy Cristea expressed his belief that the Anticorruption Commission report will end up just like the previous ones, and it is highly conceivable that these issues will no longer be discussed in the fall.

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Federal

Commentary on 'Conflict of Interest' in Balkans

AU0807183095 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 8 Jul 95

[Commentary by Bosko Antic]

[FBIS Translated Text] The 2 July deadline for the full readiness of the Rapid Reaction Force [RRF] formed by the EU to allegedly protect the UN forces and the protected areas has passed. There are various interpretations of the RRF's role, and these range from establishing peace to imposing peace with force. Its deployment in this region is accepted under different conditions: As part of and under the command of the United Nations, or as part of NATO, which should oversee the possible withdrawal of UNPROFOR [UN Protection Force]. All this indicates that there is no agreement between NATO and the EU. Three years have passed since the beginning of the war in the former Bosnia-Herzegovina, and its end is still not in sight, despite the involvement of the United Nations. This is stated by our commentator Bosko Antic, who also says:

[Antic] The RRF's role is obscured with the conflict of interest among the leading NATO members, who, thanks to the influence of the United States, have placed themselves above the United Nations that was formed 50 years ago to secure peace in the world.

In addition to the conflicts on the battlefields in the former Yugoslavia, there is also a race to expand influence on some of its parts. This has led to the premature and hasty recognition of Croatia, Slovenia, Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], and Bosnia-Herzegovina, and then to the creation of the Muslim-Croat Federation.

All this is a result of a conflict between Washington and its European allies, and this conflict, as a French diplomat said, threatens to turn into a major tremor in NATO.

In an attempt to reinforce their position in the Balkans as much as they can, the Americans are persistently supporting the Muslims, not caring at all that they are pushing them into mass death every time they launch an offensives on Serb territories. In exploiting others to realize their interests, the powerful are not interested in the losses and suffering of small nations.

This time the Americans used the Muslims for their aims. Blinded by their religious fanaticism, the Muslims do not see it, and if they continue to do so, from being equal among other Yugoslav peoples they will end up having a small state visible only from Beg's Mosque in Bascarsija [in Sarajevo].

The EU strings in this game are being pulled by Germany, which is trying to push the United States out of Europe. It considers south and East Europe to be its spheres of interest. Thanks to its old allies, Slovenia and Croatia, it has partly succeeded.

In line with this, Germany has defined the role of the integrating factor in Europe, giving itself the lead role and accepting the Franco-German cooperation as the key element of integration in Europe.

Germany is doing its utmost to make Europe build its own security and defense character through strengthening the Western European Union [WEU] as the European pillar of NATO.

To find itself at the military helm of this pillar, Germany has exploited the founding of the Rapid Reaction Force and decided to send its armed forces to take part in conflicts outside NATO's zone for the first time after World War II. This decision does not worry only the Serbs in Bosnia, and other warring parties, but also its allies within NATO itself, although none of them wants to say so publicly.

The other NATO members are in the shadow of the conflict of U.S. and German interests. France and Great Britain are trying to stop their isolation. Other countries are trying to be present regardless of the fact that they have no personal interests in this region whatsoever. These countries also include Turkey, which dreams of an Ottoman empire.

In conclusion, one can say that these conflicts will continue, that Europe is going through a process of gaining military independence, and that the WEU's planned military doctrine is being realized. According to this doctrine, Germany has the task of working out the deployment of forces in the Balkan peninsula and France in the Mediterranean.

Serbia

Ukrainian Socialist Delegation Begins Visit

AU1007182395 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 10 Jul 95

[Report by Tamara Motrenko on talks between Sergey (?Kiyasko), head of the Socialist Party of Ukraine delegation, and Borisav Jovic, vice president of the Socialist Party of Serbia and president of the Foreign Policy Commission in the Federal Assembly; report contains statements by Kiyasko and Jovic; Kiyasko speaks in Ukrainian with superimposed Serbo-Croatian translation—recorded]

[FBIS Translated Text] [Kiyasko] I would say that our visit to Yugoslavia at the invitation of the Socialist Party

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of Serbia [SPS] was remarkably successful. We have seen many things; we have been informed about the problems your state is currently facing, we have seen certain success in social and economic development, and we have concluded that in conditions of economic sanctions [words indistinct] embargo, the Yugoslav economy is nevertheless developing. We have reviewed the problems we can work on together; we have reviewed the internal situation in the republic, and have realized that the media, primarily the Western media, have been fabricating things, that the Yugoslav leadership is committed to dealing with all conflicts peacefully, and that there is no longer any basis, not even a formal basis, for the maintenance of sanctions. We have on several occasions and on behalf of our country and the Ukrainian Supreme Soviet stated our position as regards the sanctions; today, we would again like to reiterate that the sanctions are not harming only Yugoslavia, but also Ukraine. For example, Ukraine sustains $3 billion to $4 billion in losses annually because of the sanctions. Moreover, we also met with the party leadership and explored bilateral and multilateral cooperation within the framework of the Eurasian Socialist Congress. We also explored the possibility of economic cooperation both in conditions of the existing embargo and in the period following the lifting of sanctions.

[Motrenko] SPS Vice President Borisav Jovic confirmed the significance of the Ukrainian delegation's visit to Yugoslavia. He said:

[Jovic] I can only express great pleasure at the visit that Vice President Kiyasko and the delegation paid our party and country. His statement just now sufficiently confirms just how significant and justified this visit is, because he very clearly stated the whole range of interests for cooperation, and the full range of the problems we discussed, both as regards mutual acquaintance with the respective situations in the two countries, the realistic situations, which can be taken as a point of departure and within which the two parties function, and with the actual possibilities for closer cooperation between the two countries and the solving of common problems that pertain to the entire region, for example, peace and the lifting of sanctions.

Leader Urges End to Sanctions

LD1007195595 Belgrade TANJUG in English 1830 GMT 10 Jul 95

[FBIS Transcribed Text] Belgrade, July 10 (TANJUG)—The First Vice President of the Socialist Party of Ukraine (SPU) Sergey Kiyasko said Monday that the policy of peace being followed by Yugoslavia's and Serbia's leaderships should be adequately rewarded by the international community by lifting the sanctions and reinstating Yugoslavia in all international fora.

Kiyasko, who also heads SPU deputies' group in Ukrainian parliament, made this statement at a meeting with the President of Serbian Parliamentary Foreign Affairs Committee Slobodan Jovanovic in Belgrade.

Jovanovic pointed out that in spite of all efforts exerted by Yugoslavia and Serbia to put an end to war, sanctions have remained in force. They no longer make any sense and represent the principal obstacle to peace in the former Yugoslavia, Jovanovic said, the Serbian Parliament press service reports.

This opinion was shared by Kiyasko, who recalled that Ukraine had several times requested the lifting of the anti-Yugoslav sanctions from the international community, as they have also caused great losses to his own country.

Kiyasko told the press later that he was convinced during his visit that Yugoslav leadership was in favor of peace and that there were no longer any grounds for maintaining sanctions. The anti-Yugoslav sanctions cost Ukraine between three and four billion dollars a year, he noted.

Summing up his talks with Yugoslav officials and describing them as very successful, Kiyasko said the economic talks had focused on plans for actions to be taken once the sanctions are lifted.

At a meeting with Borisav Jovic, vice president of the Socialist Party of Serbia at whose invitation the SPU delegation is visiting Yugoslavia, it was noted that Yugoslav crisis can be settled only by peaceful means, dialogue and negotiations, taking into account equally the interests of all sides.

Kiyasko also met Monday Serbian Deputy Prime Minister and Minister of Science and Technology Slobodan Unkovic. They discussed bilateral cooperation prospects, and especially the development of scientific, educational, cultural and sports ties.

Commentary Views Economic Recovery Program

AU0907204195 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 9 Jul 95

[Commentary by Dusko Petrovic]

[FBIS Translated Text] About 18 months ago, the Yugoslav public was presented the program of economic recovery for the country for the first time. The success in the program's implementation in the past 18 months has demonstrated that the program has no alternative and

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that some predictions and wishes for deviations were unfounded.

Of course, the program itself is not so dogmatic that it cannot be amended to add new, creative elements that would contribute to an even more efficient implementation. On the contrary.

This was pointed out at a recent meeting between Serbian President Slobodan Milosevic with the leading businessmen from Serbia, the representative of the governments, and the Chamber of Economy. As concluded, the successful path in the country's economic recovery is reflected in the stability of economic trends and the constant rise in production in almost all branches of the economy, despite the limitations that the economy is facing due to the sanctions.

At the meeting, the participants presented several examples that testify to the impressive results and efforts of our companies to perform their business activities successfully. They also expressed unanimous readiness to continue consistent implementation of the program and to enrich it with new ideas with the aim of implementing it even more efficiently.

At the same time they stressed the importance of respecting and realizing the measures and tasks in accomplishing economic objectives, and emphasized the ever-growing need for cooperation and a firm consensus among the government, trade unions, and the Economic Chamber in the implementation of the program.

The six-month stability in economic trends and rise in production prove the vitality of our economy even in the most difficult conditions. The ever-increasing interest of foreign partners in intensifying contacts with our firms as well as renewing existing and starting new joint ventures illustrate this vitality in its own right.

At the same time, it also stresses the need to turn even more toward solving specific problems in our companies, as this time should be used to improve our starting position for the period after lifting sanctions, when we will need strength, knowledge, ability, and good quality programs for major and difficult competition on the international market, especially in view of the fact that in the existing economic milieu and reliance on great production potential and solid resources, our economy has great opportunities to expand.

This is why the most important thing is to establish peace in the Balkans, in which Serbia and Yugoslavia will continue to invest maximum efforts, as has been the case so far.

Muslim Council Reports on Fuel Smuggling

AU1007170695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 10 Jul 95

[Statement by the Muslim National Council of Sandzak]

[FBIS Translated Text] Statements made by officials of the monitoring mission on the Drina River, the border between Serbia and Montenegro, that Serbia was not significantly violating the imposed embargo, since only a pistol and 80 uniforms have been found so far in an aid convoy, can only be believed by the uninformed, reads a statement issued by the Muslim National Council of Sandzak.

Namely, fuel trucks, very often in convoys bearing Banja Luka, Zvornik, and other license plates in Cyrillic, are moving freely from the direction of Podgorica toward the border. On several occasions, tankers with Vukovar license plates in Latin have also been sighted. It is clear to everyone in Sandzak that these vehicles, loaded with smuggled fuel from Albania, reach Karadzic's Chetniks towards dawn; therefore, while the monitors are still slumbering sweetly.

Recently, some people have had the chance to see how the Bijelo Polje police treat the vehicles and their drivers. At around 2120 [1920 GMT] on Sunday, three tankers bearing Zvornik license plates passed the police patrol checking the traffic, who did not check either the tankers or the drivers.

Montenegro

Commentary Views 'Muddle' Over Bosnia

AU1007164495 Podgorica MONITOR in Serbo-Croatian 30 Jun 95 p 11

[Commentary by Miodrag Vukmanovic: "Diplomatic Pedagogy"]

[FBIS Translated Text] Have you thought that all the diplomats who are cruising from one European resort to another and conferring on Bosnia and its surroundings appear a little blase? With the awe that peasant folk feel toward diplomats, we listen with our ears pricked up to their conciliatory phrases, as though they were the call of destiny or the very voice of wisdom, never actually realizing that they are in most cases bureaucratic platitudes, established not to reveal, but rather to conceal certain political intentions. Visiting the warring factions forms the basic and routine diplomatic operation, supposedly useful in itself, in compliance with the well known rule: Negotiate, negotiate, and only negotiate! And clandestinely, if possible, because any benevolence shown on such occasions has a special quality.

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If one of the warring factions, and it is, as a rule, one and the same, meanwhile shows more spirit than is permitted by good manners, let us say that it is overenthusiastic in shelling a safe haven, that faction is left out of the next round of visits. For the faction thus temporarily left out, this usually causes severe psychological crises and drives it into isolation from the high society. Humane considerations do not allow such isolation for long, though as this could be seen as a kind of psychological genocide, which would upset so many organizations that are concerned with human rights post mortem. Since aggressive instincts may intensify under conditions of isolation, secret contacts are maintained with the officially excommunicated party so as to avoid this. For the full resumption of contacts it is necessary for, let us say, Karadzic to make a noble gesture, such as allowing running water into Sarajevo for a period of time. A similar effect is achieved by peacefully taking hostages and generously releasing them thereafter. Or by letting a convoy of baby food pass through. Such acts are very much appreciated in international relations. It is only that diplomats have great trouble explaining to the public how Bosnia-Herzegovina can function as an internationally recognized state without a sovereign water supply system. Bosnia dissected in this way is really unique in many aspects. Just recall those fellow countrymen of Copic [Bosnian author] who were leaving for America with "passports for livestock," because the Austro-Hungarian clerks believed that in that "silly" country sundry miracles are possible. [sentence as published]

With their secret diplomacy the French have proven to be the most successful. They went to negotiate with the hostages' kidnappers, but they still did so in a dignified manner, without promising them any reward. It is the Russians who are in charge of promises. Traditionally, they make no small promises. But with their unilateral secret action to free the hostages, the French succeeded in doing away with the already senseless British foreign policy that had sacrificed a couple of lords [Carrington and Owen] and its special relationship with America to the strengthening of the Paris-London axis. Immediately thereafter Chirac appeared with a new initiative for Bosnia. A little earlier he had announced a series of tests with French nuclear missiles with a range that covers the entire area from the Atlantic to the Urals. Originality is a striking feature of the French national identity. Only so can one explain the difference in attitudes toward the Serbian question between the French Government and the majority of French intellectuals.

Nevertheless, in addition to the routine visits and the new initiatives, there is another form of primary diplomatic activity. It is meetings and conferences, held either by the UN Security Council, or at the level of European Union, or by the Contact Group, or all sorts of other organizations. They are called, as a rule, whenever 10 or more people are killed in a single attack. The calculation is simple: 365 days in a year multiplied by 10 dead people on average equals 3,650 dead annually. The costs of fair play in the woods and mountains are not included. It is important to keep death at an acceptable level. The Balkan people are hardy: To bear as many children as possible without the desirable material conditions is an integral part of their political philosophy. Meetings typically end with the diplomatic homily that only a political settlement is possible and that one should not expect any sort of imposition of peace, that is, the deployment of "our guys" to get killed for one or other side in Bosnia. This diplomatic fetish of commonsense clearly indicates to all the warring factions what they are supposed to do. The Serbs know that, as soon as they hear that there will be no air strikes or massive intervention by ground forces, they need not even think about relinquishing a single square meter of their "freed" territory, but should rather start considering what else can be pinched from Bosnia. The Croats, however, see that it is becoming clear that without the use of force they do not stand the slightest chance of reintegrating the Serb-occupied territories into their internationally recognized state. As for the government in Sarajevo, despite the sympathy that it enjoys among some very influential players, by the great powers' public admission of their unwillingness to impose a settlement, it has remained without any solid guarantees that it will eventually get a just outcome. Thus, the continuation of the war is the logical consequence of the "pedagogical attitude" of the key international players toward the protagonists of the Yugoslav drama. The attitudes and muddle that this produces among the Western allies is conditioned, as eminent world analysts claim, by the absence of any military alliance ready to compel the savage military-political formations in the former Yugoslavia to observe international norms. In the existing alliances, for the time being, there obviously does not exist any such accord. But, as the almost forgotten van den Broek puts it, one should first make a distinction between violence and reaction to violence. Since no such thing exists at the moment, General Mladic's forecasts that the war is going to last seem to be true. The man is an expert on the matter and we should believe him.

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Kosovo

Rights Group: Police Terror Wildly Escalating

AU1107125895 Pristina KOSOVA DAILY REPORT in English 10 Jul 95

[FBIS Transcribed Text] The Serbian police terror against the Albanian population in Kosova has been wildly escalating over the past couple of months, says the Prishtina-based [Pristina] Council for the Defense of Human Rights and Freedoms (CDHRF), in a monthly report issued last week. During June this year, a ten-year-old ethnic Albanian, Isa Berisha, was killed by the Serbian Army only some 50 meters away from his home at Hani i Elezit.

Besides the outrageous campaign of alleged arms collection, the Serbian police has stepped up violence against Albanian-language schools, Albanian-medium associations, as well as against the political and humanitarian activists. At the Serbian-run District Court in Gjilan [Gnjilane] 16 former employees with the Kosova police force were sentenced to prison terms ranging from six months to three years in prison, while two other staged trials have been taking place simultaneously against 116 other former policemen in Prishtina and Prizren.

During June alone, 918 Albanians in Kosova were subjected to various forms of the Serbian police repression: 384 were arrested, 87 had their homes raided by the Serbian police, 379 were ill-treated in connection with alleged arms possession, 243 were beaten (out of whom nine had to seek medical treatment after having been tortured), 62 Albanians were detained to the so-called informative talks, while 210 others were summoned to report to such police interrogations, the report says.

The CDHRF report says that persons of all ages and walks of life were subjected to Serbian police practices, saying that 15 children, 19 women, and 18 elderly persons suffered Serbian police ill-treatment during June. Forcible conscription of the Albanian youths to the Serbian Army has also continued over the past month, says the report. Five draft-age Albanians were arrested in June and subsequently sent to the Serbian Military Court in Nis (Serbia), while many others were delivered army call-ups.

The report makes mention of other forms of Serbian police practices in Kosova, such as taking people as hostages, plundering of citizens and private firms, seizures of personal belongings from the citizens, and forceful eviction of Albanian families from their apartments, illustrated by the cases of three Albanians having had their apartments seized by Serbs over the past month.

Anniversary of Suspension of Parliament Viewed

LD0807145595 Moscow ITAR-TASS in English 1421 GMT 8 Jul 95

[Report by Djordje Jevtic]

[FBIS Transcribed Text] Pristina, July 8 (TANJUG)—Five years have passed since the parliament of Serbia suspended on July 5, 1990 the parliament of Kosovo and Metohija (Kosmet), its government and other local bodies of power in that province in southern Serbia, for the separatism of the then delegates and officials of Albanian nationality.

Three days before that date, Albanian delegates improvised in front of the parliament building, after they were prevented from doing it in parliament, the proclamation of the so-called constitutional declaration on the independence of the republic.

That marked the beginning of the Albanian boycott of legal institutions of power which is continuing to date. Thousands of Albanians arbitrarily left their work places in state institutions—the police, the judiciary, provincial services, post offices. The creators of secession organized the illegal declaration of the constitution of the so-called Republic of Kosovo and after that a general strike of Albanian workers.

Local bodies of power, in which ethnic Albanians were dominant, had behaved for decades before that as "a state inside a state." Today, according to the conviction of Serbs, Montenegrans, and other loyal citizens in Kosovo and Metohija, this part of Serbia does not differ in any way constitutionally or legally from its other parts.

However, it is often stressed that in the last few years Kosovo and Metohija is the safest region, with a crime rate lower than in any other part of Serbia.

However, latent dangers of possible conflicts are not negligible. The thesis is especially maintained by Albanian separatists headed by Ibrahim Rugova, who declared himself "president of the republic" and who is attempting to establish parallel government at all levels.

Serbia's state bodies are preventing such attempts and members of the illegal military ministry and many local officials are now behind bars, while 150 members of the illegal ministry of internal affairs are now standing trial.

After the five-year so-called nonviolent resistance and attempt to achieve the impossible, many ethnic Albanians realize that they cannot go on like that anymore and that a modus vivendi has to be found with the authorities in Serbia.

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Former communist leader of Kosovo and Metohija Azem Vlasi said ethnic Albanians lacked the vision of the future road "to independence."

Responding to the separatist thesis that ethnic Albanians in Kosovo have "moral power," one of Rugova's major former associates and now his opponent Mehmet Kraja said that "moral power is idealism" and that Rugova's entire policy was "the lost years."

The traditional solidarity of Kosovo Albanians is dropping because it has been going on for too long, Albanian-language review ZERI said. Albanian parallel schooling is also in crisis, and the number of students and professors leaving it is growing. "It is impossible to go on like this," is a remark frequently heard from ethnic Albanians, and a way out is more and more seen in dialogue with the authorities.

However, for the time being, despite frequent announcements by Albanian dailies, their leaders still have no desire to establish dialogue.

Those who are leading the secessionist movement will not readily agree to dialogue which would mean the integration of ethnic Albanians into the political life of Serbia, because that would mean at the same time their departure from political life, and of course responsibility for five years of deception and for keeping the people in a kind of ghetto, with grave consequences.

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